



European
Commission

The EU fishing fleet 2020: Trends and economic results

MARITIME ECONOMIC PAPERS No 08/2020

A series of short papers on economic analysis
and indicators produced by the Directorate-General
for Maritime Affairs and Fisheries



Fisheries

LEGAL NOTICE

This document has been prepared for the European Commission; however, it reflects the views only of the authors, and the Commission cannot be held responsible for any use that may be made of the information contained therein. More information on the European Union is available on the Internet (<http://www.europa.eu>).

Luxembourg: Publications Office of the European Union, 2021

Print	ISBN 978-92-76-26956-4	2529-2986	doi:10.2771/91955	KL-AQ-20-001-EN-C
PDF	ISBN 978-92-76-26955-7	2529-2978	doi:10.2771/442334	KL-AQ-20-001-EN-N

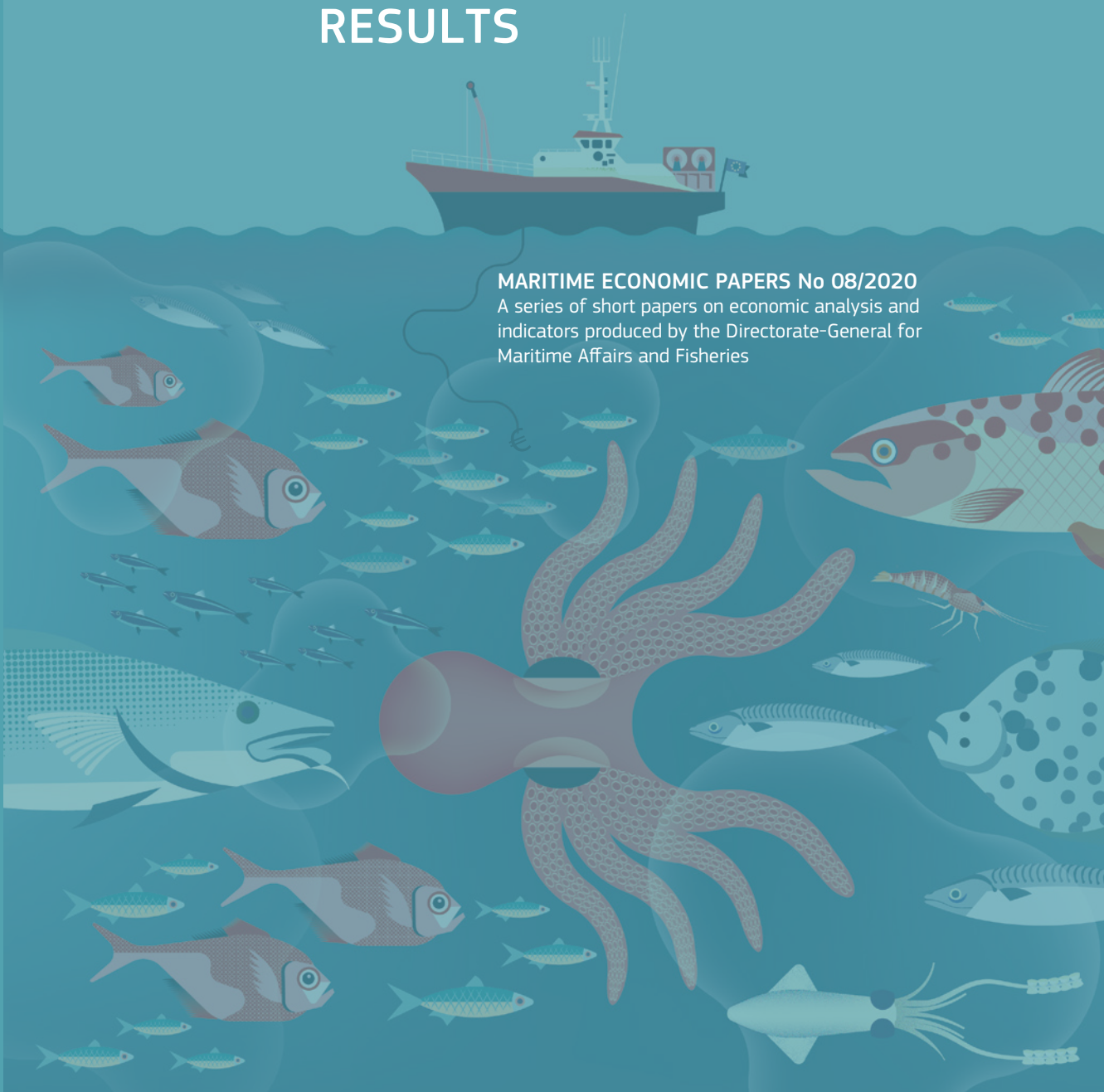
© European Union, 2021

Reproduction is authorised provided the source is acknowledged.

THE EU FISHING FLEET 2020: TRENDS AND ECONOMIC RESULTS

MARITIME ECONOMIC PAPERS No 08/2020

A series of short papers on economic analysis and indicators produced by the Directorate-General for Maritime Affairs and Fisheries



Maritime Economic Papers are published by the Directorate-General for Maritime Affairs and Fisheries and are intended to increase awareness of the economic performance of the EU fisheries, aquaculture and fish processing sectors. DG Maritime Affairs and Fisheries welcomes comments on the report's utility and content and any suggestions for future enhancements. The findings and interpretations expressed in this document do not necessarily reflect the views of the European Commission.

Maritime Economic Paper no 08/2020 was produced by experts from the Water and Marine Resources Unit at the Joint Research Centre and the Economic Analysis, Markets and Impact Assessment Unit of DG Maritime Affairs and Fisheries.

Corresponding authors:

Natacha Carvalho

Joint Research Centre, the European Commission's science and knowledge service

Angel Calvo Santos

European Commission, DG Maritime Affairs and Fisheries

Jordi Guillen

Joint Research Centre, the European Commission's science and knowledge service

Comments and enquiries should be addressed to:

MARE-A4@ec.europa.eu

Economic Analysis, Markets and Impact Assessment Unit

Directorate-General for Maritime Affairs and Fisheries; Maritime Policy and Blue Economy Directorate.

ACKNOWLEDGEMENTS

This report is primarily based on *The 2020 Annual Economic Report on the EU Fishing Fleet*, prepared by the EU Scientific, Technical and Economic Committee for Fisheries (STECF) and associated expert groups. The authors acknowledge the extensive contributions made by the participants in that process.

The authors also acknowledge the contributions and support of the following experts: Frangiscos Nikolian, Yasmin Schinasi-Romeu, Ana Peralta-Baptista, Javier Villar-Burke and Sarah Neehus.

Contents

Executive summary	5
Difficulties and challenges	6
1. Overview of the EU fishing fleet: 2018	7
1.1. Economic performance	7
1.2. Fleet capacity	8
1.3. Employment and wages	8
1.4. Effort and fuel consumption	8
1.5. Landings	10
1.6. Income and costs	10
1.7. Productivity and efficiency	11
1.7.1. Labour and capital productivity	11
1.7.2. Energy use – fuel efficiency and intensity	11
2. Outlook for 2020 and beyond	13
2.1. COVID-19	13
2.2. Production	13
2.3. Fish prices	14
2.4. Fuel prices	14
2.5. Gross domestic product, inflation and employment	15
3. EU fleet performance by fishing activity	16
4. EU fleet performance by main fishing region	18
4.1. North Sea and Eastern Arctic	20
4.2. Northwest Atlantic Fisheries Organization Convention area	21
4.3. Baltic Sea	22
4.4. North-western waters	24
4.5. South-western waters and CECAF – Madeira and Canary Islands	25

4.6. Mediterranean Sea	26
4.7. Black Sea	27
4.8. EU outermost regions	28
4.9. International Commission for the Conservation of Atlantic Tunas Convention area	30
4.10. Indian Ocean Tuna Commission Convention area	32
4.11. Committee for the Eastern Central Atlantic Fishery	34
5. EU fleet performance by Member State	35
6. Main drivers and trends affecting the EU fleet's economic performance	38
Data sources	40
Abbreviations and units	41
List of country codes	42
List of figures and tables	43

Executive summary

The EU-27's fishing fleet: key figures for 2018

- | | |
|--------------------------------------|--------------------------------------|
| ■ Active vessels: 59 000 (– 3 %) | ■ Gross value added: EUR 3.8 billion |
| ■ Direct employment: 134 945 (– 4 %) | ■ Gross profit: EUR 1.5 billion |
| ■ Employment in FTEs: 97 867 (– 5 %) | ■ Net profit: EUR 791 million |
| ■ Days at sea: 6.2 million | ■ GVA-to-revenue ratio: 56 % |
| ■ Landings: 4.5 million tonnes | ■ Gross profit margin: 22 % |
| ■ Landing value: EUR 6.7 billion | ■ Net profit margin: 12 % |

Based on the key findings of *The 2020 Annual Economic Report on the EU Fishing Fleet*, prepared by the Scientific, Technical and Economic Committee for Fisheries, this paper provides further insight on trends in the economic performance of the EU-27 fishing fleet and the potential drivers behind them. This paper, produced by experts from the Commission's Joint Research Centre and DG Maritime Affairs and Fisheries, contains supplementary analyses by main fishing region and type of fishing activity, along with nowcast results for 2019 and 2020 ⁽¹⁾, including the expected impacts of COVID-19 on fleet performance.

The results show that the EU fleet continued to be profitable in 2018, though the decreasing trend seen in 2017 also continued. Though the figures were lower than in 2017, the performance results for the EU fleet in 2018 were still good, with an overall gross profit of EUR 1.5 billion and a net profit of almost EUR 800 million. Three Member States' fleets suffered net losses in 2018 – an improvement on the four national fleets that saw losses in 2017.

The recent trends in the performance of the EU fleet have mainly been driven by the following three factors.

- Continued relatively low fuel costs resulting from lower fuel consumption and relatively low

fuel prices. The slight increase in fuel prices in 2018 was one of the main factors that contributed to higher operating costs and lower overall profits.

- Stable, or in some cases increased, average first-sale prices for a number of commercially important species.
- Progress in achieving sustainable fisheries.

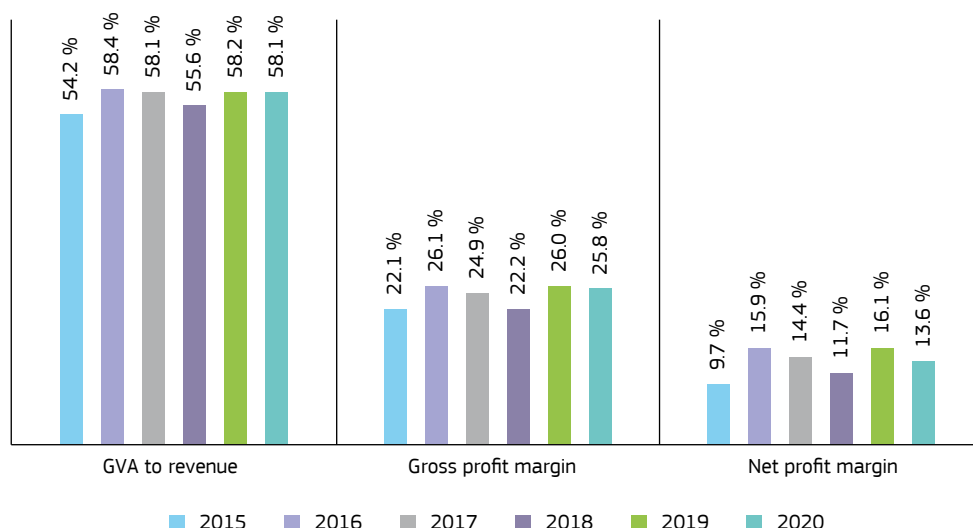
Nowcasts ⁽²⁾ suggest that the deterioration seen in 2018 with respect to 2017 was reversed in 2019. Increased revenue, lower operating costs and negative opportunity costs of capital led to substantial improvements in 2019, bringing the fleet's performance back up to – and for some indicators outperforming – the record-high results from 2016.

The results for 2020 are mainly being driven by the COVID-19 pandemic. A deterioration in all the economic indicators is expected, and it will be a challenging year for the EU fisheries sector overall. The lockdown and the subsequent economic crisis present a situation of weaker demand due to lower purchasing power, price stabilisation and lower activity than in 2019. Furthermore, fuel costs decreased by 25 % in 2020 compared to 2019. Overall, a reduction similar to that seen in the wider

⁽¹⁾ These data exclude the United Kingdom.

⁽²⁾ Although data for 2019 and 2020 are partly available at most, it is possible with the nowcasting technique to make reliable predictions and projections for them.

Figure 1. Trends in profits as a percentage of revenue for the EU-27 fishing fleet



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

EU-27 economy is predicted for the sector, with gross value added (GVA) falling by 14 % – similar to Eurostat's estimate of the reduction in gross domestic product for the economy of the EU-27 as a whole in the first half of the year (12 %). Nonetheless, it is expected that the EU fleet as a whole has continued to be profitable in 2020, reporting healthy gross and net profit margins of around 26 % and 14 % respectively.

Difficulties and challenges

- At Member State level there are significant differences, with one national fleet sustaining gross losses and three national fleets suffering net losses in 2018.
- All Member States' fleets are expected to generate gross profits in 2019 and 2020,

while four national fleets suffered net losses in 2019 and five may suffer net losses in 2020.

- At sea-basin level there are also remarkable differences, with the North Sea and Eastern Arctic fleet and the Baltic Sea fleet seeing significant falls in gross profit.
- Aggregate employment in the catching sector is continuing to decline, albeit at a slower pace. On the positive side, average annual wages are continuing to increase, as is labour productivity.
- Profitability nowcasts for 2019 indicate an increase, mostly due to a decrease in fuel prices and capital costs. Results for 2020 are expected to deteriorate slightly compared to 2019, mainly due to the COVID-19 crisis.

1 | Overview of the EU fishing fleet: 2018

The 2020 Annual Economic Report on the EU Fishing Fleet provides a detailed and comprehensive account of the status and performance of the EU fishing fleet in 2018, with preliminary results for 2019 and nowcasts for 2020. A summary of the main results is given below.

1.1. Economic performance

The GVA and gross profit amounts (excluding subsidies and fishing rights) generated by the fleet in 2018 were EUR 3.8 billion and EUR 1.5 billion respectively. GVA as a proportion of revenue was estimated at 55.6 %, lower than the 58 % achieved in 2017, and the gross profit margin was estimated at 22.2 %, down from 24.9 % in 2017 (reduction calculated excluding Greece). After accounting for capital costs, 11.7 % of the revenue generated by the EU fleet was retained as net profit, which was again a drop from the 14.4 % net margin in 2017.

- Nowcasts for 2019 suggest that there was a slight decrease in almost all cost items compared to 2018, with only personnel costs increasing slightly (by 0.5 %). There was a clear improvement in performance results in 2019 in terms of GVA (+ 8.9 %), gross profit (+ 23 %) and net profit (+ 47 %), the latter driven by low interest rates affecting the opportunity costs of capital.
- With regard to the previous year's results, projections indicate that the EU fleet still continued to operate at stable profit margins in 2019.
- In relative terms, projected results show a GVA-to-revenue ratio of 58 % in 2019 (slightly up

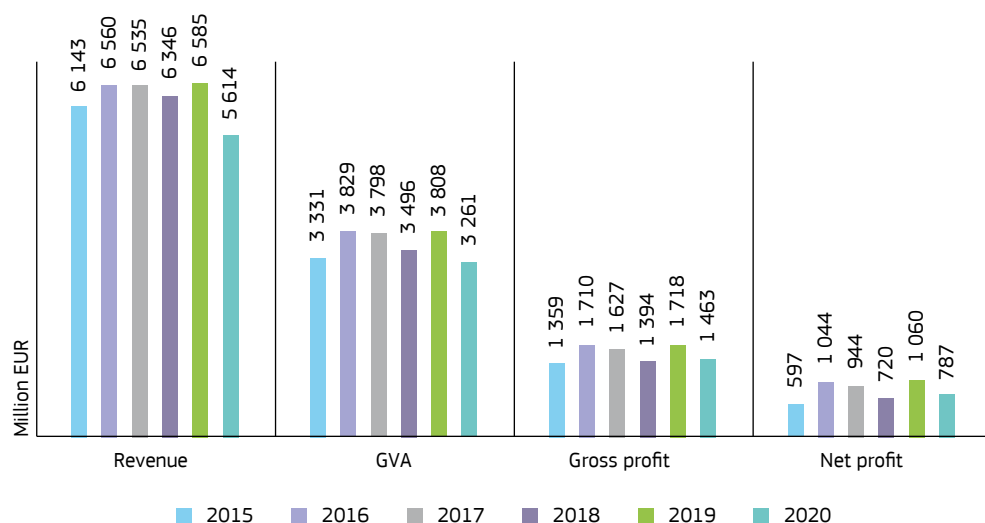
from 55 % in 2018), a gross profit margin of 26 % (up from 22 %) and a net profit margin of 16 % (up from 11.4 %).

While the EU fleet was profitable overall, performance decreased compared to 2017. Three out of the 22 coastal Member State fleets ⁽³⁾ suffered net losses in 2018, namely those of Cyprus, Lithuania and Finland. Results also varied by scale of operation and fishing region.

- The projected results for 2019 and 2020 by Member State indicate that all of the national fleets have generated a gross profit.
- Lithuania, which suffered gross losses in 2018, is projected to have moved to a positive position in both gross and net profits in 2019, and to a positive position in gross profits in 2020.
- With the exception of Germany, Cyprus, Malta and Finland, all Member State fleets are projected to have generated net profits in 2019.
- Generally, the performance of most Member State fleets improved in 2019, and then deteriorated in 2020. Some exceptions are as follows.
 - The performance of Belgium, Denmark, Germany, France and the Netherlands deteriorated in 2019.
 - The performance of Croatia, Malta, Finland and Sweden is expected to have improved in 2020 compared to 2019.

⁽³⁾ Czechia, Luxembourg, Hungary, Austria and Slovakia do not have fishing fleets.

Figure 2. Trends in revenue and profits for the EU-27 fishing fleet



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

1.2. Fleet capacity

In 2018 the EU fishing fleet numbered 81 199 vessels, with a combined gross tonnage of 1.56 million tonnes and an engine power of 6.2 million kilowatts. Some 78 % of these vessels (63 593) were active. The EU's fleet capacity continued to decrease at a rate similar to that observed in previous years (around 2 % on average).

Greece maintained the largest fleet by number of vessels with 19 % of the total, followed by Italy (16 %) and Spain (12 %). Belgium, with 66 active vessels, operated the smallest fleet. The Spanish fleet had the largest gross tonnage (25 % of the total), while the French fleet was superior in engine power (19 % of the total), followed by the Italian fleet (18 %) and the Spanish fleet (15 %).

1.3. Employment and wages

The sector directly employed 146 906 fishers in 2018, corresponding to 105 851 full-time equivalents (FTEs). These values follow a trend similar to that of the capacity indicators. Around

31 % of those employed were reported as being unpaid labour.

The Spanish fleet employed 23 % of the total number of FTEs, followed by the Italian (19 %) and Greek (15 %) fleets.

The average annual wage per FTE was estimated at EUR 24 287, a reduction compared to 2017. There is a remarkably high degree of difference in this indicator among the Member States, ranging from EUR 1 400 for Cypriot fishers to EUR 135 500 for Belgian fishers. In both cases, the value was lower than in 2017.

- Nowcast results indicate a 14 % decrease in FTEs in 2020 compared to 2019, and a 16 % decrease compared to 2018.

1.4. Effort and fuel consumption

The EU fishing fleet spent almost 6.2 million days at sea in 2018 (– 3 % compared to 2017) and consumed 2.0 billion litres of fuel (– 2 %), meaning that on average each vessel spent around 104 days at sea (– 0.5 %) and consumed 34 204 litres of fuel (+ 0.4 %) – roughly unchanged compared

to 2017. This corresponds approximately to an average fuel consumption of 328 litres per day at sea, at an average cost of EUR 182 (EUR 0.55 per litre).

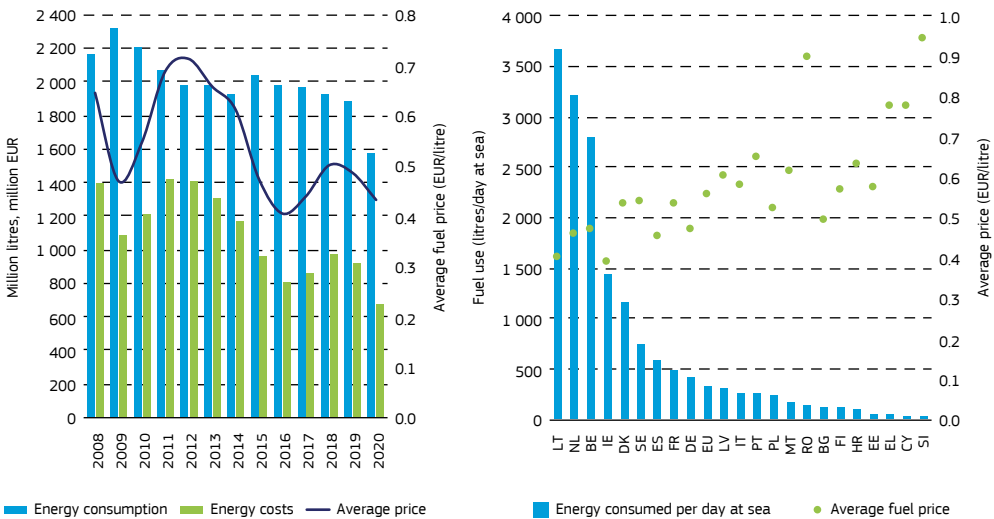
In absolute figures, the Greek fleet spent the most days at sea (1.8 million days, or 30 % of the total), followed by the Italian (1.4 million days, 22 % of the total) and Spanish (966 300 days, 16 % of the total) fleets. The Spanish fleet consumed the most fuel (563.7 million litres, 28 % of the total), followed by the Italian (359.6 million litres, 18 % of the total) and French (313.5 million litres, 15 % of the total) fleets.

On average, the Belgian fleet consumed the most fuel (571 923 litres per vessel) in 2018, followed by the Lithuanian (388 616 litres) and Dutch (308 570 litres) fleets. Belgian vessels also

spent the most days at sea (on average 205 days), followed by Italian (124 days) and Spanish (120 days) vessels. Bulgarian vessels spent only 19 days at sea on average in 2018, followed by Maltese (31 days), Romanian (42 days) and Croatian (43 days) vessels. These low activity levels are largely due to the part-time nature of these fleets, which are predominately small-scale, along with harsh weather conditions (e.g. in the Black Sea), which greatly affect the activity of these small vessels.

On average, Lithuanian vessels consumed the most fuel per day at sea (3 677 litres) in 2018, followed by Dutch (3 207 litres) and Belgian (2 784 litres) vessels. At the other end of the scale, Slovenian vessels consumed an average of 32 litres per day, followed by Cypriot (39 litres) and Greek (49 litres) vessels.

Figure 3. Trends in fuel use, costs and average price for the EU-27 and by Member State fleet



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

1.5. Landings

The EU fleet landed 4.5 million tonnes of seafood in 2018, valued at EUR 6.7 billion, representing a decrease of 3 % and 4 % respectively compared to 2017. The average price per kilo has remained relatively stable over the entire time period analysed, varying between 1.4 EUR/kg and 1.6 EUR/kg.

The Spanish fleet accounted for 26 % of the total value landed during the year (18 % by weight), followed by the French (20 % by value, 13 % by weight), Italian (14 % by value, 4.5 % by weight) and Danish (7 % by value, 18 % by weight) fleets.

- Preliminary results indicate a 7–8 % drop in landed weight in 2019 compared to 2018, accompanied by a 2–3 % increase in value, reflecting higher average prices.
- Nowcast estimates for 2020 are driven by the COVID-19 pandemic. Overall, the methodology modified to cope with the COVID-19-induced reduction in activity indicates a 16 % decrease in landed value in 2020 compared to 2019 estimates.

1.6. Income and costs

The revenue ⁽⁴⁾ generated by the EU fishing fleet in 2018 was EUR 6.8 billion, while costs amounted to EUR 6.0 billion. Of the charges incurred by the fleet, 88 % went towards operating costs ⁽⁵⁾ (EUR 5.3 billion) and 12 % went towards capital costs (EUR 718 million).

In addition, the fleet received EUR 49.5 million in operating subsidies and EUR 33.3 million in income from leasing out quota and other fishing rights. The

fleet also spent EUR 39.1 million on payments for the lease/rental of quota and other fishing rights.

The Spanish fishing fleet continued to receive the highest revenue (EUR 1.8 billion, or 27 %), followed by the French (EUR 1.3 billion), Italian (EUR 950 million) and Danish (EUR 462 million) fleets. Most Member State fleets saw their revenue fall compared to 2017, while eight national fleets saw their revenue increase, most notably Malta (+ 33 %) and Lithuania and Germany (+ 7 %)

Labour costs have remained somewhat stable over the period under analysis, ranging from 30.2 % of total revenue in 2012 to 33.4 % in 2018.

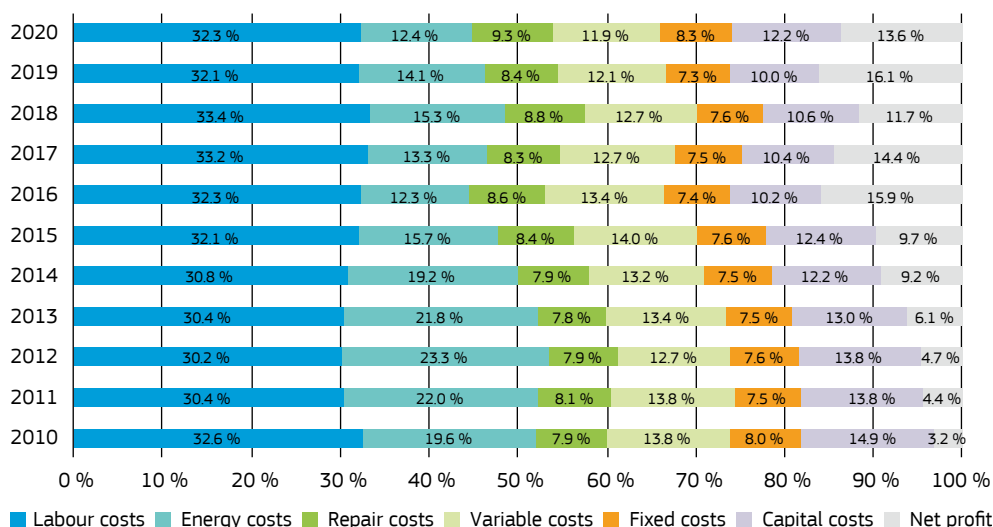
Energy costs show a more complex pattern, reflecting significant changes in the average price of fuel over the period, ranging from 23 % of total revenue in 2012 to 12 % in 2016. On average, energy costs in 2018 were 31 % lower than in 2012 but 11.5 % higher than in 2017, amounting to 15.3 % of revenue in 2018 against 13.3 % in 2017.

- Nowcasts suggest that in 2019 there was a slight decrease in almost all cost items (with only personnel costs increasing by 0.5 %) compared to 2018. There was a clear improvement in performance results in 2019 in terms of GVA (+ 9 %), gross profit (+ 23 %) and net profit (+ 47 %), with the latter driven by low interest rates that affected the opportunity costs of capital.
- A 13 % decrease in revenue is expected in 2020 compared to 2019, accompanied by a decrease in fuel costs (– 25 %) and labour costs (– 14 %). The profitability of the EU fleet as a whole is projected to fall sharply, by 15 % in gross and 26 % in net terms, while still posting healthy profit margins.

⁽⁴⁾ Direct subsidies and income from leasing out fishing rights are excluded from the economic analyses.

⁽⁵⁾ Total operating costs include crew wage costs, unpaid labour, energy costs, other variable costs, repair costs and other non-variable costs.

Figure 4. Trends in cost structure as a percentage of revenue for the EU-27 fleet



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

1.7. Productivity and efficiency

1.7.1. Labour and capital productivity

Apart from a small decline between 2011 and 2012, and more recently in 2018, the labour productivity of the EU fishing fleet has generally increased, reaching a peak in 2019.

In 2018 labour productivity was estimated at EUR 38 553, a slight decrease compared to 2017, with the Belgian fleet reporting the highest level (EUR 188 300), followed by the Danish (EUR 185 700) and Dutch (EUR 129 500) fleets.

Capital productivity, measured as the rate of return on fixed tangible assets (RoFTA), was estimated at 16.0 %, with Latvia reporting a RoFTA of 123 %, followed by Greece (50 %) and Spain (40 %). The RoFTA increased significantly in 2016, but has since decreased.

1.7.2. Energy use – fuel efficiency and intensity

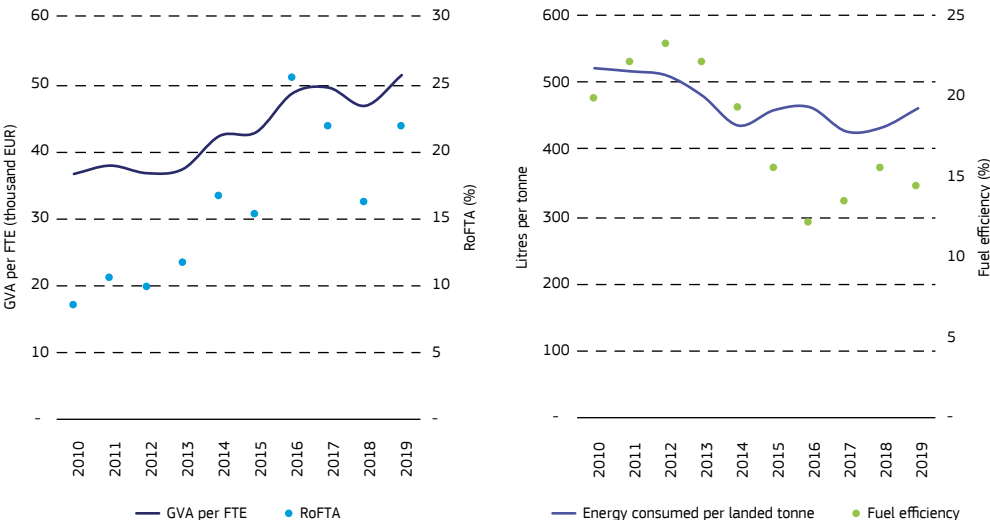
The quantity of fuel used by the EU fishing fleet is influenced by several factors, in particular the type of fishing operation, fishing gear and fuel price. Here, fuel use is measured in two ways:

(1) fuel intensity, i.e. the quantity of fuel consumed per quantity of fish landed (litres per tonne); and
(2) fuel efficiency, i.e. the ratio between fuel costs and revenue, expressed as a percentage. For the latter, the lower the percentage the more fuel efficient the vessel (i.e. less income is used to cover fuel costs).

The EU fleet has become more fuel efficient over the years, yet has shown less efficiency in more recent years. This is largely a result of higher fuel prices in 2017 and 2018. Fuel costs as a proportion of revenue were estimated at 15 % in 2018, up 2 percentage points compared to 2017 and 3 percentage points compared to 2016. The improvement in fleet performance can largely be attributed to lower fuel prices. However, it is noteworthy that fuel intensity – the amount of fuel consumed per landed tonne – has declined, stabilising since 2014 at around 445 litres per landed tonne.

With the decrease in the volume of landings and the marginal increase in fuel consumption in 2018, the amount of fuel consumed per landed tonne increased by 1 % compared to 2017, reaching 432 litres per tonne.

Figure 5. Trends in productivity (labour and capital) and efficiency (fuel use) indicators



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

2 | Outlook for 2020 and beyond

2.1. COVID-19

The COVID-19 outbreak, with the restrictive measures adopted in the EU in March and April 2020, has had a significant socioeconomic impact on the fisheries sector and its stakeholders.

Numerous measures were taken across Europe to mitigate the effects of the crisis on the sector, such as ensuring the continuity of food supplies, expanding home delivery and direct sales and supporting national and local production through consumer-awareness campaigns, supplemented by enhanced investment in the fisheries sector.

The expected impact of COVID-19 is a decrease in total landings for this period compared to other years, brought on by a reduction in effort (days at sea) due to lower demand for seafood products on the one hand and safety reasons (social distancing on board vessels) on the other. Also, as crew wages in some Member States are connected to the value of landings, this may lead to a decrease compared to previous years.

As regards fishing activities, the situation is somewhat different. For a few Member States, an increase in fishing activities has occurred for some segments, probably because COVID-19 did not have a significant impact on the trawler segments or in certain parts of the region. However, there has been a decrease in fishing activities compared to previous years and, according to catch data, reductions at the Member State level are between 1 % and 58 %, with the average expected to reach 11 % for the EU fleet.

In order to support the sector, most Member States provided opportunities through the operational programmes co-financed by the European Maritime and Fisheries Fund (EMFF). In many cases, the measures – compensation for the temporary cessation of fishing activities and aid for the storage of fishery products – were implemented to mitigate the negative impact of COVID-19 on the fisheries sector and the economy.

Despite the impact of COVID-19, projections show that the EU fleet would end 2020 with a reasonable level of profitability. This suggests a greater level of resilience on the part of the EU fleet, which is the result of the combined efforts made by the sector in previous years to achieve the maximum sustainable yield (MSY) objective set by the common fisheries policy, in conjunction with low fuel prices.

In addition to the uncertainties triggered by COVID-19, the sector's performance will also be affected by policy reforms and a multitude of other internal and external factors. The next decade is likely to see major changes in relation to the natural environment, resource availability, the necessary energy transition of the EU fleet, international trade rules and tariffs, market characteristics and social conduct, which may affect production, markets and trade in the short to medium term.

2.2. Production

According to the *OECD–FAO Agricultural Outlook 2020–2029* ⁽⁶⁾, after strong growth in 2018, with overall production, trade and consumption reaching historic peaks, the global fisheries and aquaculture sector declined slightly in 2019. Aquaculture production continued to expand by over 2 %, while capture fisheries declined by about 4 % due to lower catches of certain species, including cephalopods, cod and selected small pelagic species.

Capture production is expected to increase to 95 million tonnes by 2029. This slight increase of 0.4 % per year is attributed to improvements in sustainability and the recovery of fish stocks as a result of better resource management. Other factors behind this growth are reduced discards, waste and losses; improved fishing technologies; increased gear selectivity; decreases in illegal,

⁽⁶⁾ Organisation for Economic Co-operation and Development / Food and Agriculture Organization of the United Nations, *OECD–FAO Agricultural Outlook 2020–2029*, FAO, Rome / OECD Publishing, Paris, 2020, <https://doi.org/10.1787/1112c23b-en>

unreported and unregulated fishing; and increased efficiency of small-scale fisheries.

Aquaculture production growth is likely to continue, though at a lower rate, partly caused by lower productivity gains, more stringent environmental regulation and the increasing scarcity of suitable locations due to competition from other land and water users. Despite this slower growth, aquaculture will remain the main driver of growth in fish production at the global level. Aquaculture production will be less dependent on fishmeal and oil from capture fisheries thanks to improved efficiency in the use of fishmeal, substitution with other types of feed and expansion of farmed species that require no or little fishmeal as input.

EU fisheries are going to be affected by the United Kingdom leaving the EU (i.e. Brexit), by the landing obligation and by the status of fish stocks (exploiting stocks at MSY), and also by climate change and ocean acidification. However, the impact of climate change and ocean acidification on productivity rates is uncertain and may vary significantly by region.

2.3. Fish prices

According to the *OECD–FAO Agricultural Outlook 2020–2029*, fish prices will continue to be high in the next decade relative to historical levels. In real terms, fish prices are expected to rise until 2024 and to decrease during the 2024 to 2029 period, notably reflecting the expected impact of Chinese fisheries policies. These policies are projected to lead to limited fish production growth in the country at the beginning of the outlook period, while productivity gains are expected to result in faster production growth during the rest of the projection period. In addition, fish prices are also expected to be impacted by the price trends of potential meat substitutes.

The prices of wild-caught fish are projected to decrease by 0.2 % annually in real terms, resulting in a total decrease of 1.9 % by 2029 compared to the base period. During the same period, aquaculture prices are projected to experience a very marginal increase in real terms in most years, sustaining the profitability of aquaculture

production. However, due to lower feed prices, which will shift supply upward, overall aquaculture prices are projected to decline by 2.0 % by 2029 compared to the base period.

2.4. Fuel prices

In 2020 fuel prices collapsed due to the reduction in demand as a result of the COVID-19 crisis. Worldwide crude oil prices ⁽⁷⁾ are projected to average USD 40 a barrel in the second half of 2020 and to remain at that level in 2021 (US Energy Information Administration's *International Energy Outlook 2020* ⁽⁸⁾). The International Monetary Fund, in its June issue of the *World Economic Outlook* ⁽⁹⁾, predicts a slightly less severe drop and more modest recovery, with Brent oil prices plunging to USD 36.2 per barrel in 2020 and rebounding to USD 37.5 in 2021.

Oil-price forecasts depend on the interaction between supply and demand for oil on international markets. The most important expected supply-side factors weighing on pricing include US shale-oil production, US crude-oil stocks and OPEC (Organization of the Petroleum Exporting Countries) oil supply.

Brent crude oil is forecast (as of August 2020) to have an average annual price of USD 49.53 per barrel in 2021, which is a major reduction from the previous 2021 forecast price of USD 67.53 per barrel that was presented in January 2020.

The decrease in fuel price, accompanied by the International Maritime Organization's 2020 regulations and a reduction in fishing activities, will play an important role in the decrease in energy costs for the EU fishing fleet.

⁽⁷⁾ There are two grades of crude oil that are benchmarks for other oil prices. West Texas Intermediate comes from the United States and is the benchmark for US oil prices. Brent North Sea comes from North-West Europe and is the benchmark for global oil prices.

⁽⁸⁾ US Energy Information Administration, *International Energy Outlook 2020*, <https://www.eia.gov/outlooks/ieo/>

⁽⁹⁾ International Monetary Fund, *World Economic Outlook – A crisis like no other, an uncertain recovery*, Washington, D.C., June 2020, <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdate-June2020>

2.5. Gross domestic product, inflation and employment

According to the European Central Bank's macroeconomic forecasts, following the collapse in the first half of 2020, euro-area growth is expected to rebound in the second half of the year, supported by monetary and fiscal policy and some pent-up demand. After the further severe contraction in the second quarter, real gross domestic product growth is projected to rebound in the second half of the year, with an average growth rate of – 8.7 % in 2020. Over time, economic activity is expected to grow strongly, by 5.2 % in 2021 and 3.3 % in 2022.

- The sharp contraction in economic activity is also reflected in the inflation slowdown. Headline inflation decreased further, from 0.3 % in April to 0.1 % in May, mainly on account of the continued fall in energy prices. Over the coming months, harmonised index of consumer prices inflation is expected to be close to 0 %, averaging 0.3 % in 2020

before slowly recovering to 0.8 % in 2021, and reaching 1.3 % in 2022. The inflation projection is also subject to unprecedented uncertainty, with a faster recovery in the mild scenario.

- Although employment declined by only 0.2 % quarter on quarter, recourse to national employment schemes remained at unprecedented levels in the first quarter of the year.
- Labour costs are expected to be subject to strong fluctuations. Growth in compensation per employee is projected to turn negative in the short term, but to recover in line with economic activity in 2021 and to display growth rates of around 2 % in 2022. After the lockdowns, compensation per employee is expected to bounce back, albeit not to the level recorded before the lockdowns, and to continue to rise gradually over the remainder of the projection horizon.

3 | EU fleet performance by fishing activity

The EU **small-scale coastal fleet (SSCF)** represents the most significant part of the EU fishing fleet in number of vessels and jobs. Vessels in the SSCF utilise a variety of different types of fishing gear, and often more than one on the same fishing trip. The most commonly used gear includes trammel nets, set gillnets, pots and traps, set longlines and hand lines. The area of operation is generally close to landing points and within 12 nautical miles from the coast. Vessels are usually owned by small family enterprises or one physical person.

Small-scale coastal fleet

- Revenue: EUR 1.1 billion (– 2 %)
- GVA: EUR 728 million (– 3 %)
- Gross profit: EUR 233 million (+ 4 %)
- Net profit: EUR 105 million (+ 4 %)
- Jobs (FTEs): 40 607 (– 3 %)

The EU SSCF numbered 44 702 vessels in 2018 and employed 67 760 fishers, comprising 76 % of the active EU fleet and 50 % of the engaged crew. Collectively, the SSCF was profitable, but revenue and GVA decreased compared to 2017, while profits, both gross and net, increased by 4 %.

While the EU SSCF as a whole was profitable, four Member State SSCFs suffered gross losses and eight suffered net losses in 2018.

Large-scale fleet

- Revenue: EUR 4.7 billion (– 2 %)
- GVA: EUR 2.6 billion (– 7 %)
- Gross profit: EUR 1.1 billion (– 12 %)
- Net profit: EUR 621 million (– 17 %)
- Jobs (FTEs): 49 874 (– 4 %)

The EU **large-scale fleet (LSF)** comprised 14 047 vessels in 2018 and employed 61 000 fishers, respectively 24 % and 45 % of the EU total. This fleet contributed 79 % of total EU landings by weight and 70 % of the value of such landings. Overall, the performance of the EU fleet is largely driven by that of the LSF.

Distant-water fleet

- Revenue: EUR 1.0 billion (– 7 %)
- GVA: EUR 387 million (– 21 %)
- Gross profit: EUR 161 million (– 38 %)
- Net profit: EUR 60 million (– 62 %)
- Jobs (FTEs): 7 389 (+ 1 %)

The LSF was profitable in 2018, but GVA decreased by 7 %, gross profit by 12 % and net profit by 17 % – a continuation of the downward trend observed in 2017. However, in contrast to 2017, all of the Member State LSFs made a gross profit in 2018, and only two – Cyprus and Slovenia – made a net loss.

The **EU distant-water fleet (DWF)** consists of vessels over 24 metres in length overall fishing predominately in other fishing regions (OFR) or non-EU waters. In 2018 it comprised 250 fishing

vessels from six Member States: Spain (78 %), France (9 %), Portugal (8 %), Italy (3 %), Lithuania (2 %) and Poland (1 %).

This segment represents less than 1 % of the active vessels and effort (fishing days), but contributes 16 % of landings by weight and 15 % by value. The DWF was profitable, with a GVA estimated at EUR 387 million (10 % of the EU total) and a gross profit estimated at EUR 161 million (11 % of the EU total). The net profit was EUR 60 million (8 % of the EU total).

The SSCF has recovered from 2013, but not as fast as the LSF. Most of the indicators analysed for the SSCF show a decline in performance from 2010 to 2013, which was particularly evident for the Mediterranean fleet. From 2014 onwards improvements can be seen, with 2010's results being surpassed in 2016. Small-scale fishers in the Mediterranean were hit hardest by the financial crisis, although other regions felt it too, such as the north-western waters (NWW) and south-western waters (SWW). However, there has been a significant improvement for the SSCF since 2013, especially in the Mediterranean, despite the fact that this fleet has still not fully recovered to its pre-crisis gross profit level.

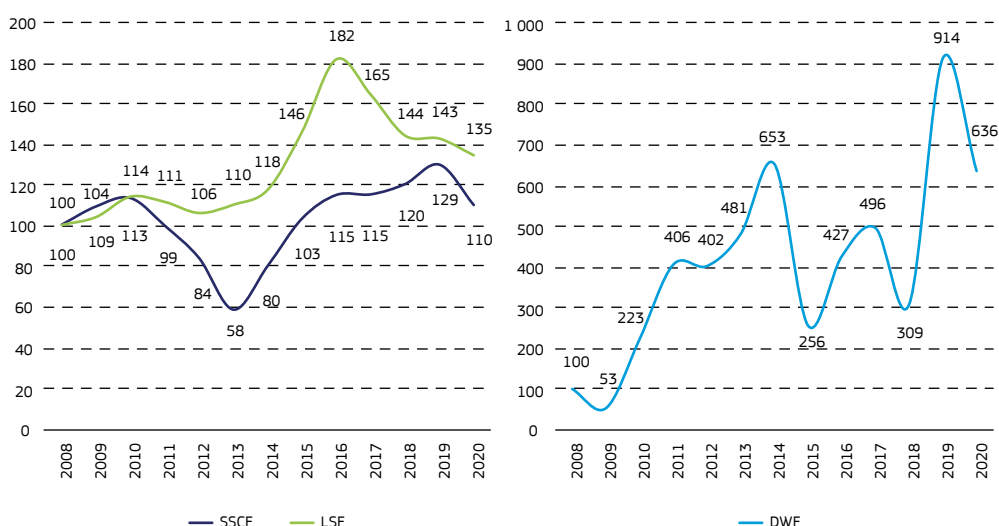
The LSF appears to have been less affected by the economic crisis, apart from vessels operating in the SWW region and, to a lesser degree, in the NWW region. The performance of the Mediterranean LSF fleet deteriorated in 2010 and remained poor until 2014, before recovering in 2015 and finally surpassing 2009's results in 2017.

The small-scale segment generally improves production prices to a higher degree than the larger segments of the fleet, and the gap between prices at first sale can be very high. These price differences could be explained by differences in quality linked to freshness, the size grade and marketing channels.

LSF vessels are becoming larger and faster, and are travelling farther from their homeports. Their investment capacity is higher and they use more sophisticated (and expensive) technologies than the SSCF, catching more fish in shorter periods of time.

Over the years the number of DWF vessels has decreased (from 385 in 2008 to 250 in 2018), however this has not impacted the level of catches and landings, which has remained the same and, in some years, has even increased. International fishing agreements have a large impact on these vessels.

Figure 6. Variation in gross profit by fishing activity (2008 = 100)



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

4 | EU fleet performance by main fishing region

The main fishing grounds for the EU fleet are located in the North Atlantic and in the Mediterranean Sea (MED) and Black Sea (BKS). By main sea basin, these include the North Sea and Eastern Arctic; the Baltic Sea (BS); NWW, SWW and CECAF – Madeira and Canary Islands in FAO areas 21, 27 and 34; and the Mediterranean Sea and Black Sea in FAO area 37.

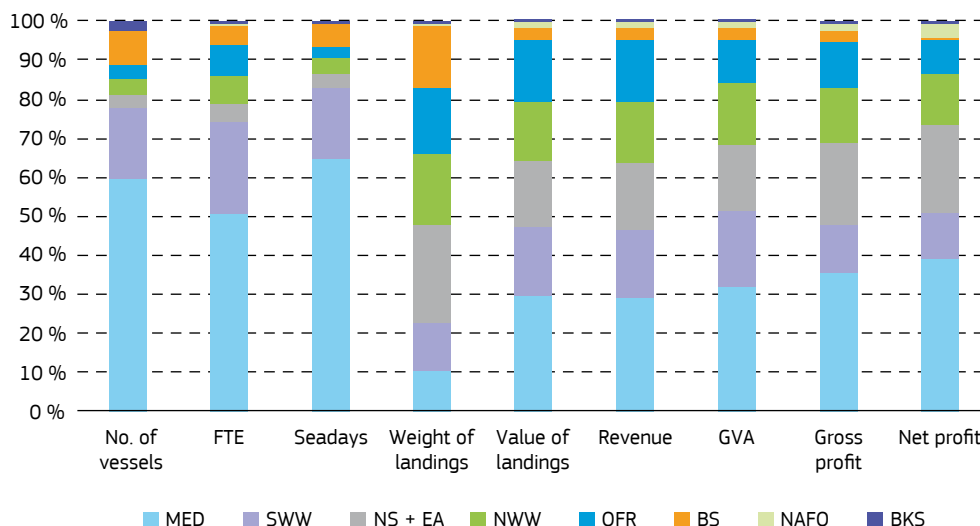
The EU fishing fleet also has vessels operating in fishing areas outside these regions, collectively known as OFRs. Part of the fleet operates in long-distance fisheries, which include all fishing areas outside EU waters and in areas beyond national jurisdiction, covered by regional fisheries bodies such as the International Commission for the Conservation of Atlantic Tunas (ICCAT) and the Indian Ocean Tuna Commission (IOTC). OFRs also include fishing areas within the exclusive economic zone of non-EU countries, where fishing is regulated within the framework of EU sustainable fisheries partnership agreements. In addition, several EU outermost regions (OMRs) are located in the OFRs, namely the French overseas regions and departments of French Guiana, Guadeloupe, Martinique, Mayotte, Réunion and Saint Martin.

The Mediterranean Sea fleet comprised 59 % of the EU fleet by number of vessels and employed 51 % of FTEs in 2018. While it represented over 65 % of the days at sea, this regional fleet accounted for only 10 % of landings by weight. However, it also represented 30 % of landings by value, producing 32 % of the overall GVA, 36 % of the gross profits and 39 % of the net profits. In terms of landed weight, the North Sea and Eastern Arctic fleet was the largest producer (26 % of the total), followed by the NWW fleet. The North Sea and Eastern Arctic fleet was also the second largest contributor to overall profits.

Fleet performance varies greatly by main fishing region and type of fishing activity. The Mediterranean fleet obtained the highest revenues (EUR 1.98 billion) and profits, followed by the SWW, North Sea and Eastern Arctic, and NWW fleets, all with revenues ranging between EUR 1.1 billion and EUR 1.2 billion in 2018.

In relative terms, the Black Sea fleet generated the highest gross and net profit margins (53 % and 50 % respectively), followed by the Northwest Atlantic

Figure 7. Shares of main indicators by fishing region

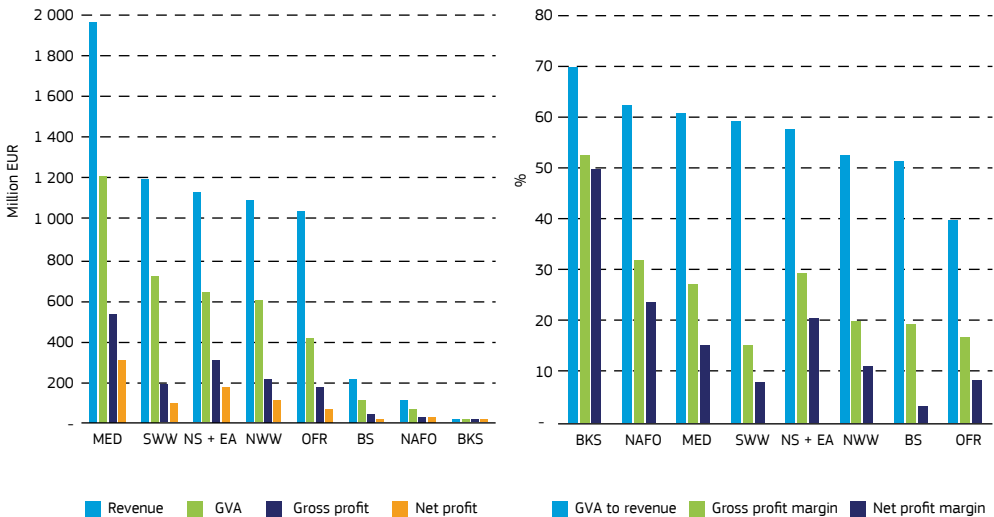


Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

Fisheries Organization (NAFO) Convention region (32 % and 24 %) and then the North Sea and Eastern Arctic (29 % and 20 %). The Mediterranean fleet obtained a higher GVA-to-revenue ratio (61 %) than the North Sea and Eastern Arctic (NSEA) (58 %), but lower gross (28 %) and net (15 %) profit margins.

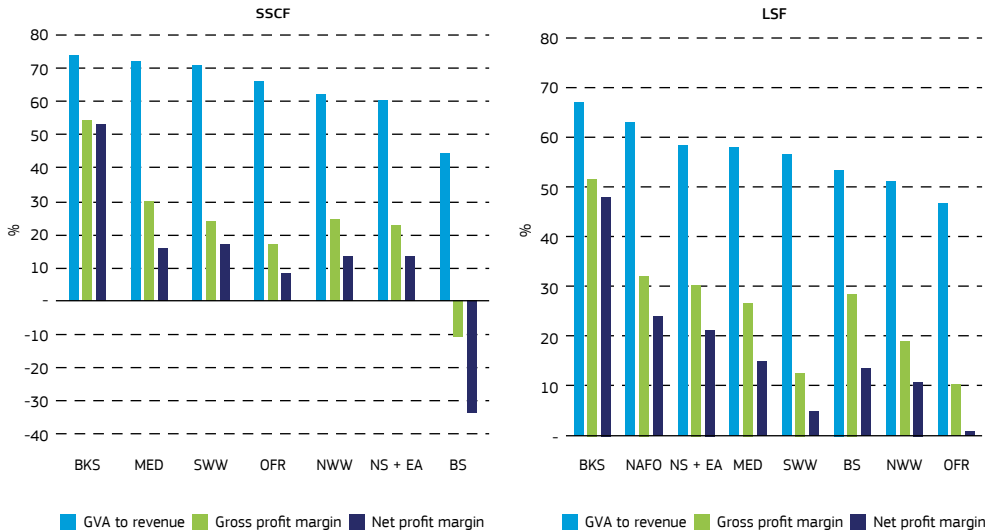
By fishing activity, the Baltic Sea SSCF was the only regional fleet to collectively perform at a loss in 2018, similar to the situation observed in 2017, while in 2016 this segment made gross profits but suffered net losses. All of the regional LSFs combined generated profits in 2018, similar to the situation in 2017.

Figure 8. Revenue, profits and profit margins for the EU-27 fleet by main fishing region, 2018



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

Figure 9. Revenue, profits and profit margins by fishing activity and main fishing region, 2018



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

While several fleet segments operating in the EU OMRs continued to suffer losses or to just break even, on the whole the performance of these fleets in 2018 was positive, though it deteriorated compared to 2017.

4.1. North Sea and Eastern Arctic

Member States' fleets operating in the North Sea and Eastern Arctic region in 2018 numbered 2 065 vessels, a slight decrease (– 1 %) on 2017, and employed almost 4 500 FTEs. The revenue generated was EUR 1.1 billion, 77 % of which was provided by three Member States: Denmark (35 %), the Netherlands (31 %) and Germany (11 %).

The overall performance of the EU fleet operating in the North Sea and Eastern Arctic region was positive in 2018, with some deterioration compared to 2017. The GVA produced by the fleets was estimated at about EUR 643 million (– 6 % compared to 2017). The fleets made a gross profit of EUR 314 million (– 10 %) and a net profit of EUR 179 million (– 16 %). All Member State fleets, with the exception of Lithuania, generated net profits in 2018 – a situation similar to 2016 and 2017 – though the performance of all but the German and French fleets deteriorated compared to 2017.

By fishing activity, the SSCF of the North Sea and Eastern Arctic generated EUR 33.4 million in revenue, a 9 % increase relative to 2017, while the LSF generated EUR 1.1 billion in revenue, a 3 % decrease on 2017. In relative terms, the SSCF obtained a GVA-to-revenue ratio of 65 %, a 27 % gross profit margin and a 16 % net profit

margin, all of which were improvements on 2017's results. Conversely, the LSF's results deteriorated compared to 2017, but the fleet still generated healthy returns: a 58 % GVA-to-revenue ratio, a 29 % gross profit margin and a 17 % net profit margin.

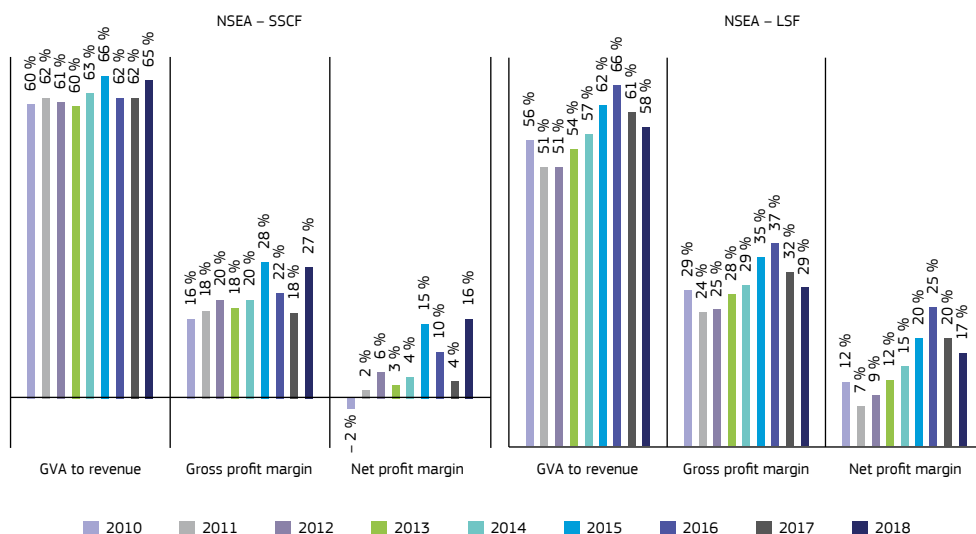
Factors leading to improvements

- The recovery of certain stocks, such as European plaice, Atlantic herring, haddock and saithe, which reached biomass levels that are capable of delivering MSY.
- Increased total allowable catches (TACs) over time for a number of important stocks in the region, such as herring, haddock, cod and Norway lobster.
- Relatively high average prices for some of the main species, such as Atlantic cod, common shrimp and European plaice.
- More vertical integration is being observed, leading to shifts in ownership.

Factors leading to deterioration

- Average first-sale prices of herring and mackerel decreased slightly.
- Reduced TACs and quotas in 2018 for stocks such as mackerel and European sprat.
- Biomass levels for plaice stocks were believed to be high, but a large part of the stock has moved to more northerly fishing grounds.

Figure 10. Trends in profit margins by the SSCF and LSF operating in the North Sea and Eastern Arctic



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

4.2. Northwest Atlantic Fisheries Organization Convention area

Four EU Member States' fishing fleets (those of Germany, Estonia, Spain and Portugal) were active in the NAFO region in 2018, with 27 vessels. Portuguese and Spanish vessels were the main players, with around 82 % of EU landings in the region. Portugal obtains around 12 % of its national fleet's total landings by value from the region. The main target species was Atlantic redfish, which accounted for 42 % of the EU catch in 2018, followed by Greenland halibut (21 %), Atlantic cod (15 %) and great blue shark (9 %). In 2018, with nearly EUR 93.2 million, these species had the lowest value of landings of all the time series. In addition, GVA and gross profit decreased by 10 % and 21 % respectively.

Capacity, effort and landings by weight in the NAFO area have decreased considerably since 2013. This seems to be a stable trend linked to the current fishing strategies and business plans of the fleets concerned, as they usually consider

this fishing ground as being complementary to that of the North-East Atlantic, particularly for trawlers targeting cod and redfish. This could also partially explain the reduction in days at sea in the area.

Economically speaking, the EU fleet in the NAFO area performed well between 2014 and 2017.

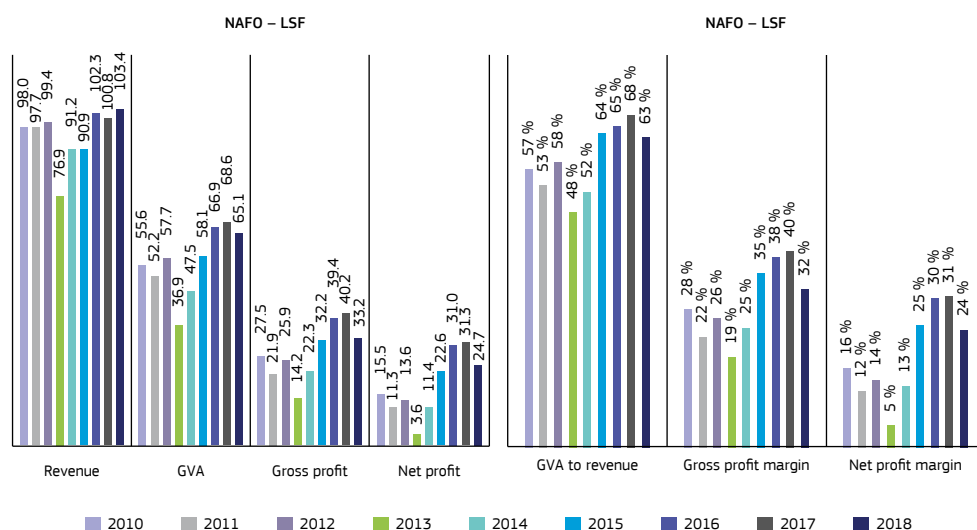
Factors leading to improvements

- High average prices for key commercial species.
- Relatively low fuel prices and greater energy efficiency leading to lower energy costs.
- The witch flounder 3NO stock area reopened in 2015, following many years with no directed fishery.

Factors leading to deterioration

- Increase in fuel prices in 2018 and lower average market prices for some species.

Figure 11. Trends in revenue, profit (million EUR) and profit margins for the LSF operating in the NAFO area



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

4.3. Baltic Sea

Eight Member States were actively involved in Baltic Sea fisheries in 2018: Denmark, Germany, Estonia, Latvia, Lithuania, Poland, Finland and Sweden. Only the Finnish fleet was fully dependent on this region. These fleets numbered 5 290 vessels, a slight decrease (– 1 %) on 2017, and employed 4 265 FTEs. The revenue generated amounted to EUR 215 million, 74 % of which came from four Member States: Poland (22 %), Sweden (22 %), Finland (17 %) and Denmark (13 %).

Overall, the performance of the fleet was positive in 2018, with some deterioration compared to 2017. GVA was estimated at EUR 110.2 million (– 5 % compared to 2017). The fleets made EUR 42 million in gross profit (– 8 %) and EUR 6.7 million in net profit (+ 20 %). The net profit improved compared to 2017 as a result of lower or even negative opportunity costs of capital for several fleet segments. All Member State fleets, with the exception of Germany and Denmark, generated net profits in 2018 – an improvement on 2017, when four national fleets suffered net losses.

By fishing activity, the SSCF generated EUR 48.5 million in revenue, a 2 % decrease relative to 2017, and saw further deterioration, suffering gross (– EUR 5.2 million) and net (– EUR 16.2 million) losses in 2018. The LSF generated EUR 166 million in revenue (a 5 % decrease on 2017), EUR 47 million in gross profit (– 3 %) and EUR 22.9 million in net profit (+ 11 %), resulting in gross and net profit margins of 29 % and 14 % respectively in 2018, an improvement compared to 2017.

Factors leading to improvements

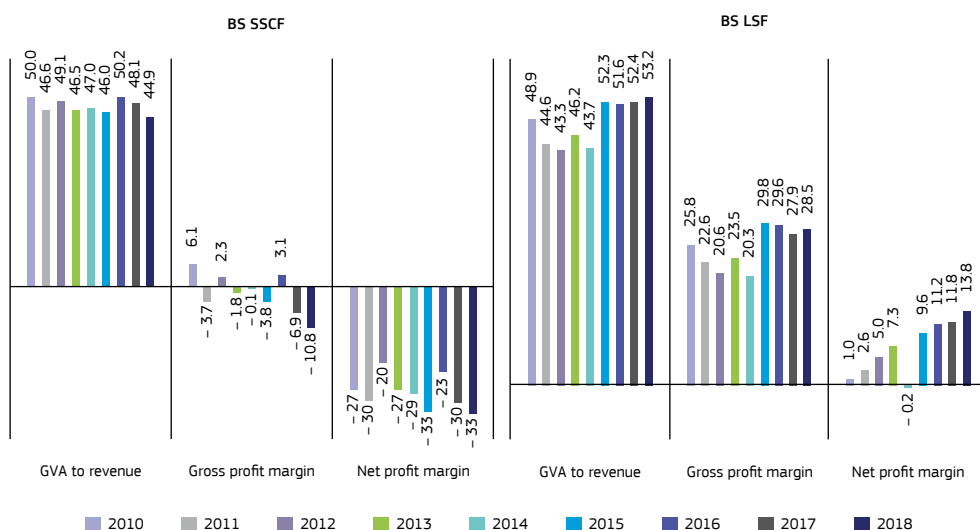
- The recovery of the average first-sale price of cod in 2017.
- Based on advice from the International Council for the Exploration of the Sea in 2019, the stock of sprat, which is a commercially important species, is being exploited at MSY level and harvested sustainably, as is the Baltic herring stock in the Gulf of Riga.
- Compensation from the EMFF to vessel owners for the temporary cessation of fishing activities to protect cod stocks.

- Policy-management instruments, specifically quota allocation (introduced in some Member States), may have significantly improved the economic performance of certain fleets.
- EMFF measures implemented to improve profitability, such as increasing added value (for the SSCF) and using by-catch arising from landing obligations (for the LSF). Measures are already applicable in some Member States fishing in the Baltic region.
- EMFF funds to support various energy-efficiency measures and energy-saving schemes for fishing vessels. Some Member States have already introduced such schemes, which help decrease the burden of maintenance costs that contribute to reducing the profitability of the fleet, which is plagued by aging vessels, obsolete equipment and insufficient investments.
- Fishing activities are highly weather dependent, especially for the SSCF. Weather can be a limiting factor for fleet performance even in favourable economic conditions, especially for seasonal fisheries.
- Further deterioration is expected in 2019 and 2020, largely driven by the decline of cod stocks. Due to the critical condition of stocks in the eastern and western Baltic, commercial cod fishing was significantly reduced in 2019. Cod catches are only permitted as an unavoidable by-catch. Management measures, such as temporary closures of fishing zones, changes in fishing gear or moving from cod fishing to fishing for other species (such as flounder and round goby), are planned for certain vessels in the hope of improving the current situation.

Factors leading to deterioration

- Energy costs continue to be one of the main expenditure items for the LSF, especially trawlers. The increase in fuel price observed in 2018 substantially increased vessels' operational costs. Lower fuel prices in 2019 and 2020 may slightly improve the situation.
- Based on advice from the International Council for the Exploration of the Sea, the TAC decrease in 2020 and the forecast decrease for herring in 2021 will have a significant negative effect on the Baltic Sea fleet's profitability, and could cause further reductions in fleet capacity.

Figure 12. Trends in profit margins by the SSCF and LSF operating in the Baltic Sea



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

4.4. North-western waters

The main Member State fleets in the NWW in terms of revenue are those from France, Ireland, Spain and the Netherlands. Belgium, Denmark and Germany also account for quite a substantial amount of production, while Portugal and Lithuania have a low level of activity. Overall, the fleet comprised 2 525 active vessels in 2018, employing 7 025 FTEs. The revenue generated amounted to EUR 1.1 billion, 83 % of which came from three Member States: France (47 %), Ireland (25 %) and Spain (11 %).

The fleet as a whole was profitable, but its performance deteriorated compared to 2017: GVA was estimated at EUR 595 million (– 5 % compared to 2017), gross profit was EUR 216 million (– 10 %) and net profit stood at EUR 103.5 million (– 20 %). All Member State fleets, with the exception of Lithuania, suffered net losses, but the fleet's activity in the area was also low.

By fishing activity, the SSCF performed better than in 2017 and generated EUR 131 million in revenue (+ 7 % relative to 2017), EUR 85 million

in GVA (+ 11 %), EUR 37.5 million in gross profit (+ 40 %) and EUR 14.5 million in net profit (+ 27 %). Conversely, the LSF saw its performance deteriorate, generating EUR 960 million in revenue (– 2 %), EUR 510 million in GVA (– 7 %), EUR 179 million in gross profit (– 16 %) and EUR 89.5 million in net profit (– 24 %).

Factors leading to improvements

- The recovery of some stocks, such as herring, where the biomass of most stocks has increased. Northern hake stocks also followed a positive trend.
- Increased TACs for a number of stocks, such as anglerfish and haddock.
- Stable fish prices in general and higher average prices for some important species, including common sole and Norway lobster.

Factors leading to deterioration

- TAC reductions for mackerel.

Figure 13. Trends in profit margins by the SSCF and LSF operating in the NWW



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

4.5. South-western waters and CECAF – Madeira and Canary Islands

The main Member State fishing fleets in the SWW are those from Spain, France and Portugal, which together accounted for 99 % of the revenue from the area in 2018. The most important species caught were hake, albacore, anchovy, sardine and common octopus. The fleet numbered 10 730 vessels and employed over 22 640 FTEs in 2018.

Overall, the fleet was profitable, but there was a general deterioration in performance compared to 2017: revenue amounted to EUR 1.2 billion and GVA was estimated at EUR 714 million. Gross profit, at EUR 182 million, and net profit, at EUR 92.5 million, were lower than in 2017 (– 22 % and – 36 % respectively). Only the three main Member State fleets generated gross and net profits.

By fishing activity, the SSCF generally performed better than in 2017, generating EUR 278 million in revenue (+ 1 % relative to 2017), EUR 196 million

in GVA (– 2 %), EUR 68 million in gross profit (+ 12 %) and EUR 48 million in net profit (+ 19 %). However, the LSF saw its performance deteriorate, generating EUR 915 million in revenue (– 10 %), EUR 518 million in GVA (– 15 %), EUR 116 million in gross profit (– 33 %) and EUR 47 million in net profit (– 55 %).

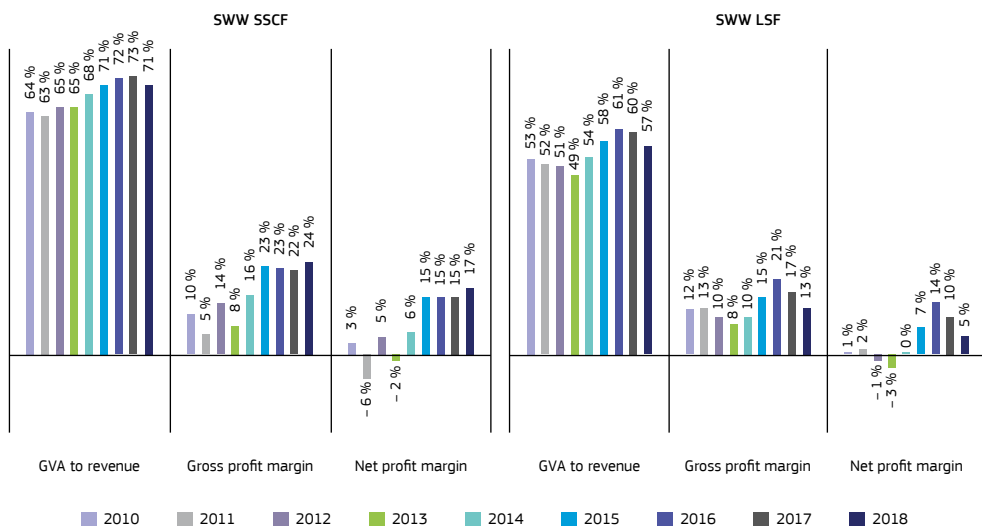
Factors leading to improvements

- Stable TAC levels for key species in the region, such as European anchovy.

Factors leading to deterioration

- Decreased TACs for a number of important stocks, such as mackerel, hake and blue whiting.
- Reduced average fish prices in general (and for anchovy and mackerel in particular).
- Increased fuel prices resulting in high energy costs, especially for the pelagic fisheries.

Figure 14. Trends in profit margins by the SSCF and LSF operating in the SWW



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

4.6. Mediterranean Sea

After continued improvements in performance since 2015, the Mediterranean Sea fleet reached a point of stagnation in 2018. Overall, the fleet comprised around 34 900 active vessels and employed 49 810 FTEs. The revenue generated amounted to almost EUR 2.0 billion, 94 % of which was provided by four Member States: Italy (55 %), Greece (21 %), Spain (10 %) and France (8 %).

Overall, the fleet was profitable, with mixed results compared to 2017: while revenue increased by about 3 %, GVA (estimated at EUR 1.2 billion) and gross profit (EUR 538 million) both decreased by around 2 %. The net profit (EUR 306 million) increased slightly. All Member State fleets generated a gross profit, while the Cypriot fleet was the only one to suffer net losses in 2018.

By fishing activity, the performance of the SSCF generally deteriorated relative to 2017, generating EUR 548 million in revenue (– 8 %), EUR 374 million in GVA (– 9 %), EUR 112 million in gross profit (– 9 %) and EUR 49 million in net profit (– 15 %). Conversely, the LSF saw its performance improve, generating EUR 1.4 billion in revenue (+ 6 %), EUR 842 million in GVA (+ 2 %), EUR 426 million in gross profit (+ 0.1 %) and EUR 257 million in net profit (+ 9 %).

Factors leading to improvements

- High average prices for some key species. Several commercial strategies have been implemented that are aimed at improving the traceability and quality of local seafood. The SSCF sells at higher prices compared to the LSF thanks to a shorter supply chain and direct sales to end consumers and restaurants.

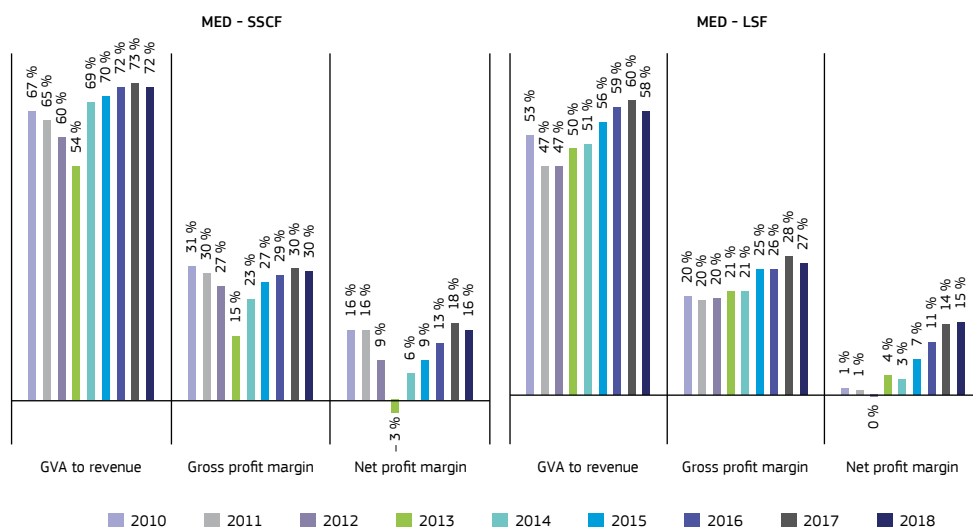
- An increase in the EU quota for bluefin tuna. This had a positive impact on the profitability of purse seiners and vessels using longlines involved in tuna fishing (an increase of more than 24 % in the value of bluefin tuna landings in 2018).

- Annual wages and salaries increased in the LSF. The improvement can be linked to the positive trend in revenue as, in most countries, labour costs are directly related to the gross value of landings and variable costs (traditional income-sharing system between the shipowner and the crew).

Factors leading to deterioration

- Stock status: the overall level of overfishing generally remains too high.
- Increasing pressure on marine resources and ecosystems driven by the diversification and intensification of marine and maritime activities.
- Small-scale vessels do not have sufficient financial resources for new investments, and larger vessels have limited access to credit.
- Energy efficiency has not improved, mainly due to low levels of investment in new fishing gear and equipment with a lower environmental impact.
- A moderate increase in fuel prices resulting in higher energy costs, especially for pelagic fisheries and trawlers.
- Lack of crew recruitment, as jobs in the sector are not seen as particularly attractive due to low wages and relatively poor working conditions.

Figure 15. Trends in profit margins by the SSCF and LSF operating in the Mediterranean Sea



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

4.7. Black Sea

Two Member States are involved in the Black Sea fisheries: Bulgaria and Romania. The Bulgarian fleet makes up 90 % of the EU's fleet capacity in the region. The Black Sea fishery is highly dependent on a few commercially important stocks: sea snails, sprat, turbot, red mullet and mackerel. The main types of fishing gear used are set gillnets, pelagic trawls, purse and beach seines, pots and traps.

Overall, the fleet comprised around 1 340 vessels and employed 681 FTEs. The revenue generated amounted to EUR 11.9 million, 66 % of which was produced by the Bulgarian fleet.

Following the visible improvement in the regional fleet's performance in 2015 to 2017, there was some deterioration in 2018. Revenue decreased by 11 % compared to 2017; this was due to the SSCF, which saw revenue drop by 24 %. GVA (EUR 8.3 million), gross profit (EUR 6.3 million) and net profit (EUR 5.9 million) followed similar trends, with reductions of 17 % and 18 % respectively compared to 2017.

Overall, the fleet was profitable, but five of Bulgaria's SSCF segments and one segment from

the LSF reported gross and net losses in 2018, in part due to the low fishing activity of many vessels.

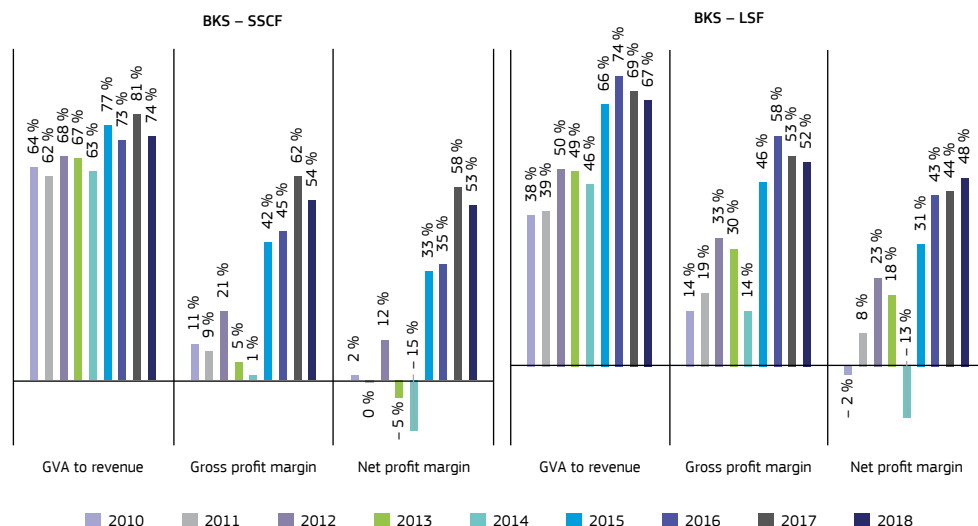
Factors leading to improvements

- An increase in the EU turbot quota in 2018 and 2019, together with fixed quotas for non-EU countries fishing in the Black Sea.
- Stable average prices for most commercial species.
- The improved status of some stocks: sea snail, currently the most profitable species, is fished below the level of fishing mortality consistent with achieving MSY; and sprat, the second most important fishery in economic terms, is evaluated as being sustainably exploited.
- Continued lower fuel prices in 2020 in the region will help reduce operating costs.

Factors leading to deterioration

- Weather conditions, including strong winds and large temperature differences between winter and summer, significantly affect fishing activity for the SSCF, which leads to less

Figure 16. Trends in profit margins by the SSCF and LSF operating in the Black Sea



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

effort and production and negatively impacts employment.

- The LSF of the two countries consists mainly of trawlers, which are fuel intensive. The current trend of increased fishing effort will continue to increase energy costs.

4.8. EU outermost regions

The EU OMR fleet comprises vessels based in nine territories belonging to three Member States: one Spanish territory – Canary Islands; six French territories – French Guiana, Guadeloupe, Martinique, Mayotte, Réunion and Saint Martin; and two Portuguese autonomous regions – Azores and Madeira.

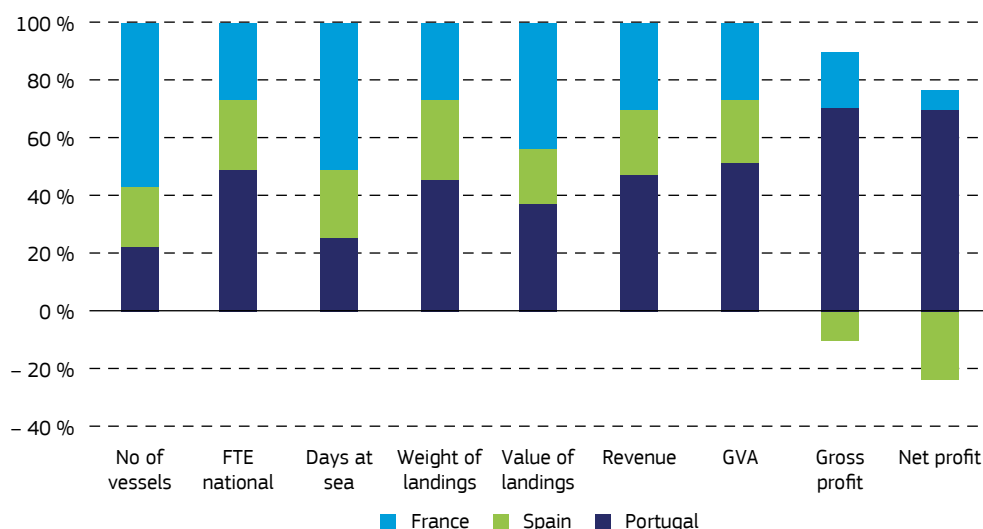
Combined, the OMR fleet numbered 2 818 active vessels in 2018, 6.5 % less than in 2017. With 1 608 vessels, the French fleet was the most numerous, accounting for 57 % of the active

fleet. The Portuguese fleet comprised 620 vessels (22 %) and the Spanish fleet 590 vessels (21 %). Collectively, these vessels employed 3 213 FTEs and landed 42 777 tonnes of seafood valued at EUR 148.5 million (excluding Saint Martin) in 2018.

The economic performance of the OMR fleet deteriorated in 2018 compared to 2017. However, overall, the fleet was profitable. Excluding Martinique, Mayotte and Saint Martin, the OMR fleet generated a revenue EUR 118.8 million in 2018, a 20 % decrease compared to 2017 (EUR 148.5 million).

GVA was estimated at EUR 77 million (21 % less than in 2017), gross profit at EUR 17.7 million (– 17 %) and net profit at EUR 7.7 million (– 22 %). In relative terms, the deterioration was less pronounced compared to 2017: the OMR fleet obtained a 65 % GVA-to-revenue ratio in 2018 (down from 66 % in 2017), a 15 % gross profit margin (up from 14.3 %) and a 6.5 % net profit margin (down from 6.7 %).

Figure 17. Share of main indicators by Member State OMR fleets, 2018



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019))

Although both the SSCF and LSF saw their performance deteriorate compared to 2017, in general the SSCF performed better than its larger counterpart. In 2018 the SSCF obtained a GVA-to-revenue ratio of 68 %, a 17 % gross profit margin and a 9 % net profit margin, compared to 61 %, 12 % and 4 % for the LSF, respectively. In absolute values, the SSCF accounted for 53 % of the revenue generated, 55 % of the GVA, 61 % of the gross profits and 70 % of the net profits in 2018.

The profitability of the Azores and Madeira fleets was positive and relatively stable over the 2010–2018 period. In 2018 the Azores fleet generated a GVA of EUR 28.3 million, a gross profit of EUR 11.9 million and a net profit of EUR 7.1 million, all slight improvements compared to the 2017 results. The Madeira fleet generated a GVA of EUR 11.4 million in 2018 (down from EUR 12.3 million in 2017), a gross profit of EUR 3.8 million and a net profit of EUR 3.0 million.

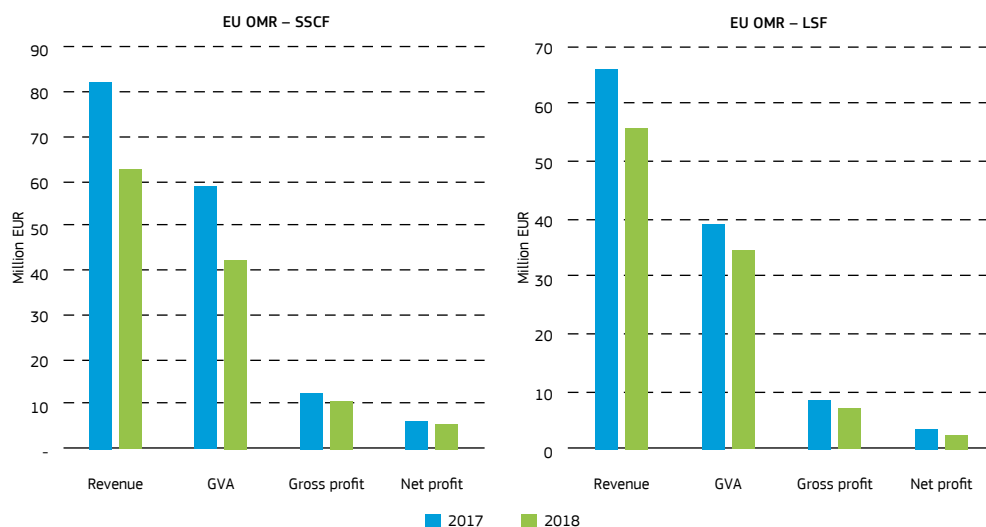
Combined, the fleets based in the Canary Islands suffered gross (– EUR 2.3 million) and net

(– EUR 3.4 million) losses in 2018, a deterioration from the net profits (EUR 2.2 million) generated in 2017.

Information is still very incomplete for the French OMR fleets, but fleets in French Guiana and Guadeloupe were profitable overall, while fleets in Réunion suffered losses (– EUR 1.6 million in net losses in 2018). In 2018 the French Guiana fleet generated a gross profit of EUR 1.7 million (down from EUR 2.2 million in 2017) and a net profit of EUR 1.5 million (down from EUR 1.9 million). Fleets in Guadeloupe generated a gross profit of EUR 3.5 million and a net profit of EUR 1.1 million in 2018, an improvement on 2017's results.

OMR fleets mostly supply local markets with fresh fish, and also catch tuna and other large pelagic species that are often processed (canned, in loins or frozen) and exported to the EU mainland. In general, the price obtained for these species is very much dependent on international market prices, while landings depend on the status of stocks.

Figure 18. Trends in profit margins by the SSCF and LSF operating in the EU Outermost Regions



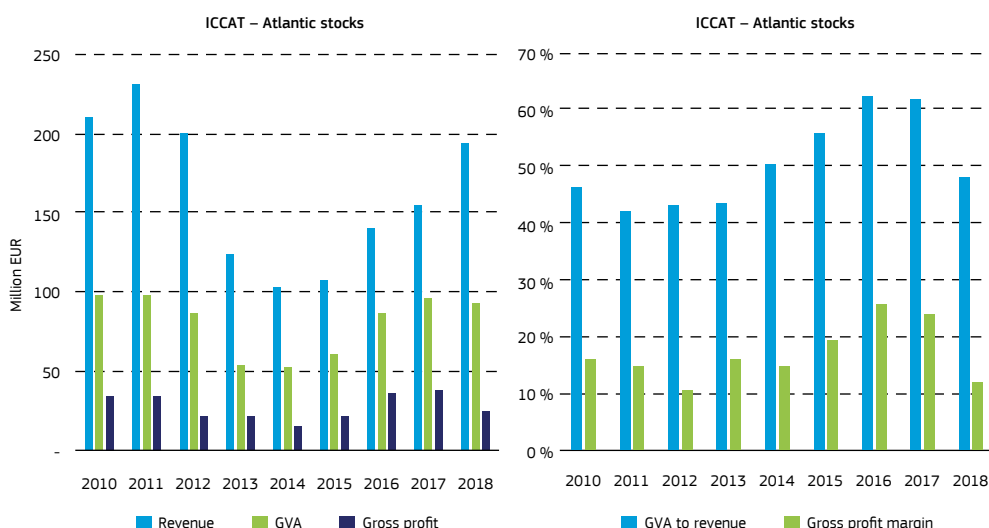
Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

4.9. International Commission for the Conservation of Atlantic Tunas Convention area

Tropical tuna stocks (yellowfin and bigeye), skipjack, albacore, swordfish and blue shark are the main target species in this fishery. The main Member State fleets targeting ICCAT Atlantic stocks are those from Spain, France and Portugal.

In 2018 the reported catch from Spain amounted to 54 % of the total EU ICCAT Atlantic catches. France had the next largest share of this catch (25 %), then Portugal (11 %) and Italy (5 %). With over 54 % of landings by weight and 62 % of the overall value, the Spanish fleets generated around EUR 184 million in revenue, EUR 93 million in GVA and EUR 23 million in gross profits. Only two segments – Portuguese 24–40 m longliners and Spanish 24–40 m longliners based in the Canary Islands – reported gross losses.

Figure 19. Trends in revenue, profit and profit margins for fleets operating in the ICCAT regulatory area – Atlantic stocks.

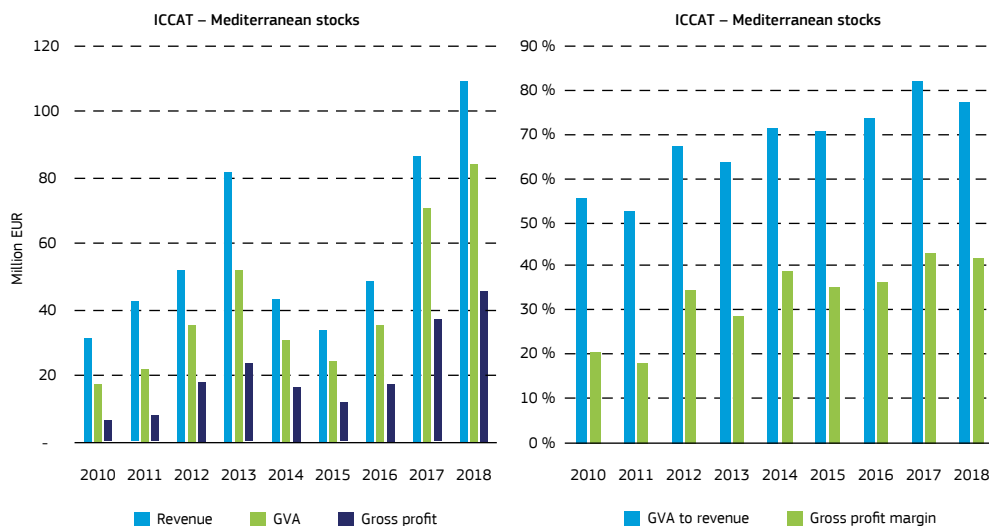


Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

Eight Member State fleets reported catches of Mediterranean ICCAT stocks in 2018, amounting to 22 381 tonnes, i.e. 5 % more than in 2017. Bluefin tuna was by far the most important species caught by the EU fleet, with more than half of the total

catches. The revenue, GVA and gross profits of the selected fleets increased compared to 2017, while profit margins deteriorated slightly.

Figure 20. Trends in revenue, profit and profit margins for fleets operating in the ICCAT regulatory area – Mediterranean stocks



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

Factors leading to improvements

- Stable high average market prices for some of the target species, particularly swordfish and blue shark.
- Continued low fuel prices, reducing operating costs and allowing for increased fishing effort.
- The introduction of a harvest-control rule for Northern Atlantic albacore tuna in 2018, together with a 20 % TAC increase, has given increased certainty to EU operators, particularly in Spain and France, on the future management of this stock using a clear set of rules. This could bring about increased landings in the years to come.

Factors leading to deterioration

- Due to the relatively poor situation of the Atlantic bigeye stock, it is possible that the overall TAC for tropical tuna could be reduced and that the ICCAT may adopt more stringent management measures for all three tropical species (skipjack, yellowfin and bigeye), which may include temporary closures expanding in terms of time (e.g. from 2 to 3 months in 2020 and 2021) or coverage (e.g. extending the fish aggregating device (FAD) closure from the Gulf of Guinea to the entire Atlantic Ocean). There may also be limits on and reductions in the number of FADs deployed and the number of supply vessels per fleet.
- The adoption of further management measures for FADs will also potentially have an impact on the way FAD-dependent fisheries are conducted. Such measures can be expected to impact the economic performance and profitability of purse seiners, and could also bring about changes to fishing patterns or displacement of effort.
- In 2020, due to the COVID-19 outbreak, there may be risks related to lower control and monitoring of fishing activities as a result of the current problems with travel restrictions and crew rotation at ports in non-EU countries. Several tuna pole-and-line vessels had to moor their boats in non-EU countries (e.g. Senegal) for several weeks in the period between March and May.

- Spanish and Portuguese surface longliners witnessed a sharp fall in demand (and hence in first-sale prices) in the main markets for swordfish and frozen sharks. The catch was stored in freezing facilities in Vigo, A Guarda and Marín (Spain) or Viana do Castelo and Porto (Portugal).
- Tuna purse seiners saw a drop in prices due to frozen tuna and tuna loins purchased from China.

4.10. Indian Ocean Tuna Commission Convention area

The main EU Member State fleets active in the IOTC area are those from Spain and France, with Italian and Portuguese vessels also operating in the fishery. Yellowfin tuna and skipjack are the two main species fished in this area, in terms of both volume and value of landings. A considerable increase in skipjack landings was observed in 2018, representing over 60 % of the total.

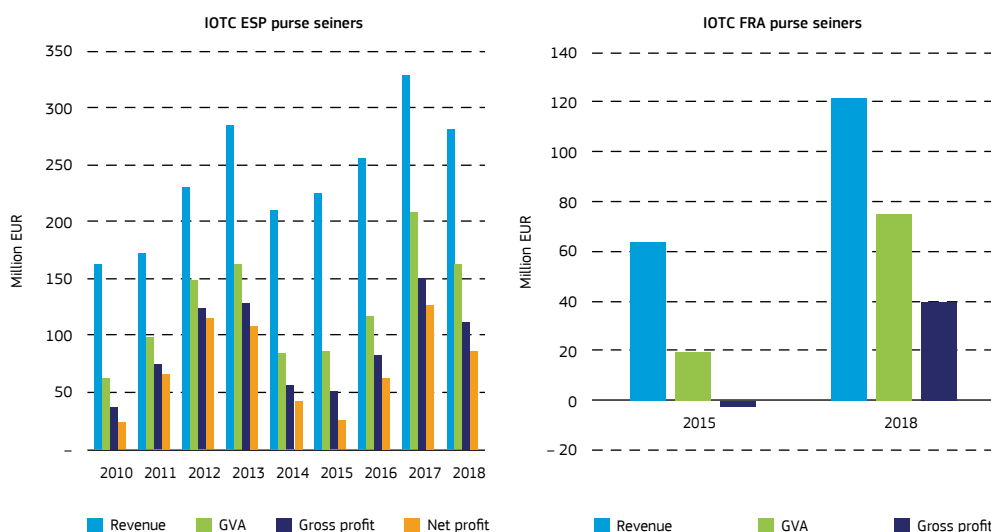
Overall, purse seiners were profitable while longliners reported gross losses. Owing to data limitations stemming from confidentiality issues, it was not possible to produce a complete overview of the EU IOTC fleet.

By far the two largest fleets operating in the region are the Spanish and French industrial purse seiner fleets. While the Spanish fleet has been consistently profitable over the period analysed, the French fleet suffered net losses in 2015.

Spanish purse seiners, with about 14 vessels operating in 2018, produced around 205 000 tonnes valued at EUR 281 million. The fleet was profitable, generating a GVA of EUR 163 million, a gross profit of EUR 111 million and a net profit of EUR 86 million. In relative terms, this resulted in a GVA-to-revenue ratio of 58 %, a gross profit margin of 39 % and net profit margin of 31 %.

French purse seiners, with about nine vessels operating in 2018, produced around 84 600 tonnes valued at EUR 117 million. The fleet was profitable, generating a GVA of EUR 75 million and a gross profit of EUR 39 million. In relative terms, this resulted in a GVA-to-revenue ratio of 62 % and a gross profit margin of 32 %.

Figure 21. Trends in revenue and profits for Spanish and French purse seiners operating in the IOTC regulatory area



Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

Factors leading to improvements

- Yellowfin and skipjack tuna are the two main fisheries in the IOTC area. There was a considerable increase in catch of skipjack, representing over 60 % of the total.
- The stability of fuel costs and market prices has contributed to the overall positive economic performance of the fleets targeting tropical tuna species, mainly purse seiners.
- Increased catch by the Spanish fleets.
- Partial displacement of effort from ICCAT or change of fishing strategy due to a combination of technical measures and seasonal FAD closure areas to reduce bigeye and yellowfin tuna catch in the ICCAT area.

Factors leading to deterioration

- A lower quota was adopted by the IOTC for yellowfin tuna in the Indian Ocean. New catch limits imposed for each Member State led to more stringent management to reduce catches by 17 % compared to the average

catch between 2014 and 2016. This more stringent management also imposed enhanced reporting and control obligations, and reduced the ratio of supply vessels to purse seiners to 1:2.

- The measures adopted in 2018 to reduce the average catch of yellowfin tuna by 15 % have led to a proportional 8 000-tonne decrease in landings by the EU purse seiner fleet, with a corresponding sudden increase in skipjack, which is now caught in higher quantities while having a lower market value.
- The reduced purse seiner activity in the IOTC area is having serious socioeconomic consequences not only on the EU fleet, but also on the economies and livelihoods of some coastal countries in the Indian Ocean, where these companies have investments and work with supply chains. The detrimental effects observed include reduced access fees, a lack of raw materials at canning factories and economic losses due to the reduction in services and in economic activity in several coastal countries.

- The limitations on the number of FADs per vessel could lead to a considerable reduction in catch landings by weight and increase the number of days at sea.

4.11. Committee for the Eastern Central Atlantic Fishery

A large part of the activity in the Committee for the Eastern Central Atlantic Fishery (CECAF) region is related to the tuna fishery, which is covered

under the ICCAT section. Several mixed or multi-species agreements offer fishing opportunities in the CECAF area for demersal and pelagic species, tuna, cephalopods and shrimp, mainly involving trawlers, purse seiners and longliners. In 2018 there were 136 vessels active in the fishery, with a total volume of landings of 193 500 tonnes in weight and EUR 274 million in value. Spain had the largest number of vessels, with nearly 71 % of the total (97 vessels), followed by Portugal with 14 % (19) and France with 7 % (nine purse seiners).

5 | EU fleet performance by Member State

The results shows that eight of the national fishing fleets that were already profitable in 2017 improved further in 2018 (Germany, Ireland, Greece, Croatia, Latvia, Malta, Slovenia and Finland (albeit with net losses)).

Eleven Member States' fleets remained profitable in 2018 but with a somewhat deteriorated level of performance compared to 2017. These were Belgium, Bulgaria, Spain, France, Italy, Cyprus, the Netherlands, Poland, Portugal, Romania and Sweden.

Two Member States' fleets remained profitable in 2018 but with mixed performance results compared to 2017. These were Denmark (improvements in gross profits but some deterioration in net profits) and Estonia (improvements in gross profits but some deterioration in GVA).

The Lithuanian national fleet, already unprofitable in 2017, saw some improvement but still suffered gross losses – the only national fleet to do so in 2018. Estimates for 2019 indicate substantial improvement, with the fleet moving from a loss-making position to generating net profits for the first time since 2014.

Croatia and Malta moved from losses in 2017 to net profits in 2018, while Cyprus moved from profits to net losses.

The Spanish fleet, the largest employer and producer (in landed weight and value), also outperformed all Member State fleets in revenue and GVA generated. France was second in revenue and GVA, while Italy was first in gross profit and second in net profit, after Spain. The national fleets of Bulgaria, Cyprus, Romania and Slovenia all generated less than EUR 8 million in revenue in 2018.

BELGIUM. Overall, a positive but deteriorated performance, operating at a net profit of EUR 4 million (– 60 %). Revenue amounted to EUR 82.2 million (– 7 %), GVA EUR 39.8 million (– 14 %) and gross profit EUR 11.8 million (– 28 %). The outcome for 2019 is expected to be more positive.

BULGARIA. Overall, a positive situation with slight deterioration. Revenue amounted to EUR 7.9 million (– 11 %), GVA EUR 5.6 million (– 17 %), gross profit EUR 4.5 million (– 15 %) and net profit EUR 4.3 million (– 9 %). Landings increased in 2019, but with decreased value due to lower average prices for sprat (– 40 %) and rapa whelk (– 19 %) compared to 2018.

DENMARK. Overall, a positive situation with some deterioration. Revenue amounted to EUR 462 million (+ 3 %), GVA EUR 305 million (+ 1 %), gross profit EUR 180 million (+ 2 %) and net profit EUR 93.5 million (– 10 %).

GERMANY. Overall, a greatly improved performance operating at a net profit. Revenue increased to EUR 165 million (+ 7 %), GVA EUR 98.8 million (+ 18 %), gross profit EUR 46.7 million (+ 36 %) and net profit EUR 21.5 million (+ 721 %) (all figures excluding the pelagic trawler fleet). Profitability was severely reduced in 2019, as is also expected for 2020.

ESTONIA. Overall, the situation remained positive, with some deterioration. Revenue was stable at EUR 14.7 million, GVA EUR 9.5 million (– 3 %), gross profit EUR 4.7 million (+ 7 %) and net profit EUR 2.7 million (same as 2017). Some deterioration is expected in 2019 and 2020.

IRELAND. Overall, a positive and improved performance. Revenue amounted to EUR 320 million (+ 3 %), GVA EUR 170 million (+ 4 %), gross profit EUR 72.2 million (+ 13 %) and net profit EUR 41 million (+ 21 %).

GREECE. An improved situation. Revenue amounted to EUR 440.6 million, gross profit EUR 115 million and net profit EUR 70.9 million. Several inefficient SSCF vessels exited the sector or remained inactive, making room for the remaining vessels to improve their economic sustainability.

SPAIN. Performance deteriorated. Revenue amounted to EUR 1.8 million (– 10 %), GVA EUR 940 million (– 18 %), gross profit EUR 287 million (– 35 %) and net profit EUR 177 million (– 47 %). Results varied significantly by fishery, with revenue increasing in the Mediterranean Sea. An improved situation is expected for 2019, with some deterioration in 2020.

FRANCE. Performance down slightly in 2018. Revenue amounted to EUR 1.31 billion (unchanged), GVA EUR 707 million (– 5 %), gross profit EUR 215 million (– 12 %) and net profit EUR 122 million (– 11 %). Further deterioration is expected in 2019 and 2020.

CROATIA. Overall performance improved, and has been positive since 2017. Revenue amounted to EUR 86.7 million (+ 6 %), GVA EUR 51.4 million (+ 6 %), gross profit EUR 24.2 million (+ 5 %) and net profit EUR 3.8 million (+ 312 %). Some deterioration is expected in 2019 and 2020.

ITALY. Overall performance deteriorated. Revenue unchanged at EUR 950 million, GVA EUR 569 million (– 5 %), gross profit EUR 299 million (– 8 %) and net profit EUR 139 million (– 11 %). In 2019 a reduction in fishing effort is expected, resulting from the entry into force of the national management plans for demersal fisheries and the WestMed plan.

CYPRUS. Overall, performance deteriorated compared to 2017, but improved when evaluated over the time series. Revenue amounted to EUR 6.6 million (– 34 %), GVA EUR 2.6 million (– 57 %), gross profit EUR 1.6 million (– 69 %) and net loss – EUR 0.98 million (– 140 %). Some improvement is expected in 2019, with higher gross profits (+ 10 %) and a significant reduction in net losses.

LATVIA. Overall, an improved performance. Revenue amounted to EUR 21.9 million (+ 4 %), GVA EUR 11.0 million (+ 21 %), gross profit EUR 5.8 million (+ 12 %) and net profit EUR 5.3 million (+ 87 %).

LITHUANIA. An improved performance but still operating at a loss. Revenue (+ 7 %), GVA EUR 7.7 million (+ 50 %), but the fleet continued to generate gross losses of – EUR 0.3 million (+ 94 %) and net losses – EUR 5.7 million (+ 47 %). Revenue is expected to increase by 38 % in 2019, generating net profits. However, deterioration is expected in 2020, with the substantial decline of sprat (– 22 %) and herring (– 10 %) TACs and the continued closure of cod fisheries in the Baltic Sea, along with the impact of the COVID-19 crisis.

MALTA. Overall, an improved performance, moving from gross losses to profits but still operating at a negative net margin. Revenue amounted to EUR 14.5 million (+ 33 %), GVA EUR 8.4 million (+ 58 %), gross profit EUR 2.6 million (+ 68 %) and net profit EUR 0.5 million (+ 162 %).

NETHERLANDS. Overall, deterioration while still operating at a net profit of EUR 58 million (– 22 %). The main causes are lower catches (in volume) of flatfish species and lower prices for shrimp (– 50 %). A decrease in net profit is expected in 2019, mainly due to lower – 22 % landed value and weight.

POLAND. Overall, performance remained positive. Revenue unchanged at EUR 47.5 million, GVA EUR 25.7 million (– 1 %), gross profit EUR 6 million (– 22 %) and net profit EUR 1.5 million (– 52 %). Some deterioration is expected in 2019, following a decline in landings caused by the lower herring TAC and bans on Baltic cod.

PORTUGAL. Overall, positive but with some deterioration. Revenue remained stable at EUR 382 million, GVA EUR 245 million (– 5 %), gross profit EUR 104 million (– 9 %) and net profit EUR 46.7 million (– 38 %).

ROMANIA. Overall, performance deteriorated. Revenue amounted to EUR 4.0 million (– 12 %); GVA EUR 2.7 million (– 17 %), gross profit EUR 1.8 million (– 26 %) and net profit EUR 1.5 million (– 22 %).

SLOVENIA. A positive performance with mixed results. Revenue amounted to EUR 2.1 million (– 3 %), GVA EUR 1.7 million (– 2 %), gross profit EUR 1.3 million (+ 15 %) and net profit EUR 1.27 million (+ 17 %).

FINLAND. Overall, an improved performance. Revenue amounted to EUR 36.7 million (+ 2 %), GVA EUR 22.0 million (+ 18 %), gross profit EUR 14 million (+ 48 %) and net losses of – EUR 6.6 million (+ 45 %) due to very high depreciation costs (possibly overestimated).

SWEDEN. Overall, performance deteriorated. Revenue decreased by 16 %, amounting to EUR 113 million (– 16 %), GVA estimated at EUR 53.6 million (– 27 %), gross profit EUR 28.1 million (– 37 %) and net profit EUR 10.2 million (– 59 %). A further decrease is expected in 2019.

6 | Main drivers and trends affecting the EU fleet's economic performance

After 8 consecutive years of continued growth the economic performance of the EU fishing fleet waned in 2017, and this deterioration continued into 2018. Net profit fell compared to 2017, however it was still 50 % higher than the average of the 2008 to 2017 period.

While the record-high results observed in 2016 were broadly maintained in 2017, fleet profitability in 2018 decreased by almost a quarter, though a recovery in 2019 to levels above those obtained in 2017 is expected.

Results vary by Member State, fishing activity and region. All but one (Lithuania) of the 22 Member State fleets analysed recorded gross profits in 2018. The EU fleet as a whole generated a gross profit of EUR 1.51 billion, a 14 % decrease on the 2017 position. Net profits continued to elude three Member State fleets, but overall the EU fleet made a net profit of almost EUR 800 million, 24 % less than in 2017.

Compared to 2017, the fleet in 2018 spent fewer days at sea (– 3 %) and consumed less fuel overall (– 2 %). It also landed less seafood by both weight (– 3 %) and value (– 4 %).

GVA decreased compared to 2017 (– 8 %), with a 4 % reduction in FTEs, and the average wages per FTE also decreased by 0.5 % compared to 2017.

For the SSCF, the performance results in 2018 show some contraction compared to 2017 according to

GVA only (– 1.5 %), while gross profit (6.9 %) and net profit (7.6 %) showed improvements.

The results observed for the EU LSF fleet in terms of performance were lower in 2018 than in 2017. The contraction is visible in terms of GVA (– 7.6 %), gross profit (– 13.3 %) and net profit (– 18.9 %).

In 2018 the EU DWF performed worse from an economic performance standpoint than in 2017. Decreases in GVA (– 20.6 %), gross profit (– 37.8 %) and net profit (– 61.6 %) were observed, compatible with the reduction of fishing days (– 12.1 %), the value of landings (– 15.4 %) and other income (– 58.5 %).

Common to all segments of the fleet, and what may have mitigated to some extent the increased depreciation costs in 2018, was a fall in the opportunity costs of capital (overall negative values for the LSF and DWF), which impacted net profits.

With a fleet as diverse as the EU fishing fleet, operating in fishing areas across the globe, it is difficult to pinpoint the underlying drivers of economic performance. In fact, different factors will have varying levels of impact on different fleets. However, several factors, some more sector specific than others, stand out as the main driving forces behind the unprofitability in 2018, such as the rising trend in fuel prices and the decreased landed quantities and average prices for some important fish stocks.

Table 1. Summary performance results by Member State fleet, 2018-2020

	Live weight of landings (thousand tonnes)			Value of landings (million EUR)			Rev- enue (million EUR)			0			% diff 2019- 2020- 2018			% diff 2019- 2020- 2018			GVA (mil- lion EUR)			0			% diff 2019- 2020- 2018			Gross profit (mil- lion EUR)			% diff 2019- 2020- 2018			Net profit (mil- lion EUR)			% diff 2019- 2020- 2018			% diff 2019- 2020- 2018		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020						
BE	223	212	212	792	752	749	-5%	-5%	0%	823	780	777	-5%	0%	398	377	376	-5%	0%	118	111	111	-6%	0%	40	37	35	-7%	-5%													
BG	85	103	51	7.8	62	31	-21%	-49%	0%	79	63	32	-20%	-49%	56	43	18	-23%	-59%	45	33	12	-27%	-63%	43	32	10	-26%	-68%													
DK	7878	7192	7192	4492	3753	3764	-16%	-16%	0%	4621	3909	3921	-15%	0%	3049	2459	2467	-19%	0%	1803	1368	1373	-24%	0%	935	488	470	-48%	-4%													
DE	2584	2049	2049	0	2384	1847	-22%	-22%	-1%	1654	1247	1237	-25%	-1%	988	586	582	-41%	-1%	467	193	192	-59%	-1%	215	32	-36	-115%	-13%													
EE	669	662	662	0	144	144	0%	0%	1%	147	147	148	0%	1%	95	97	98	3%	1%	47	50	50	6%	1%	27	26	22	-2%	-18%													
IE	2203	2085	1781	-15%	2773	2657	-22%	-4%	-16%	3202	3150	2641	-2%	-16%	1703	1751	1496	3%	-15%	722	806	706	12%	-12%	411	547	413	33%	-25%													
EL	682	712	466	-35%	4266	4526	2918	6%	-36%	4406	4651	2998	6%	-36%	2767	2919	1763	5%	-40%	1152	1161	613	1%	-47%	709	711	165	0%	-77%													
ES	9188	8788	7469	-4%	17705	22927	19677	29%	-14%	18231	23980	20804	32%	-13%	9405	14944	12842	59%	-14%	2875	7324	6029	155%	-18%	1766	6196	4843	251%	-22%													
FR	5708	5491	4042	-4%	13392	12314	9654	-8%	-22%	13093	11967	9475	-9%	-21%	7073	6220	4760	-12%	-23%	2146	1662	1077	-23%	-35%	1220	720	97	-41%	-87%													
HR	694	633	648	-9%	2%	596	576	598	-3%	4%	867	848	863	-2%	2%	514	494	570	-4%	15%	242	215	281	-11%	31%	38	17	85	-55%	401%												
IT	1999	1942	1608	-3%	-17%	9365	8740	7328	-7%	-16%	9498	9370	7920	-1%	-15%	5692	5752	5096	1%	-11%	2990	3221	3004	8%	-7%	1391	1664	1455	20%	-13%												
CY	15	15	12	2%	-18%	70	68	55	-3%	-20%	66	67	54	2%	-20%	27	28	22	5%	-20%	16	18	14	11%	-21%	-10	-04	-18	58%	-341%												
LV	704	696	564	-1%	-19%	202	176	141	-13%	-20%	219	192	155	-12%	-19%	110	101	85	-8%	-16%	57	57	50	-1%	-13%	53	53	45	0%	-15%												
LT	702	1040	795	48%	-24%	571	829	621	45%	-25%	613	849	640	39%	-25%	77	229	116	199%	-49%	-03	144	53	4666%	-63%	-58	83	-14	244%	-116%												
MT	27	24	22	-11%	-10%	135	123	106	-9%	-14%	145	134	120	-7%	-10%	84	72	68	-15%	-5%	26	15	19	-43%	26%	05	-04	-01	-175%	70%												
NL	4033	3163	2651	-22%	-16%	4242	3342	2796	-21%	-16%	4351	3448	2886	-21%	-16%	2184	1451	1247	-34%	-14%	833	398	365	-52%	-8%	581	196	136	-66%	-31%												
PL	2058	1758	1484	-15%	-16%	473	366	300	-23%	-18%	475	368	302	-22%	-18%	257	196	166	-24%	-15%	60	44	41	-28%	-5%	15	44	41	194%	-7%												
PT	1624	1681	1286	-4%	-23%	3797	3843	2897	1%	-25%	3820	3879	2930	2%	-24%	2451	2539	1924	4%	-24%	1046	1109	846	6%	-24%	467	533	237	14%	-56%												
RO	77	71	45	-8%	-38%	40	42	27	5%	-35%	40	42	27	5%	-35%	27	28	17	4%	-41%	18	19	11	2%	-43%	15	15	06	1%	-60%												
SI	01	01	02	-5%	32%	08	09	12	2%	33%	21	20	23	-4%	15%	17	17	20	-2%	21%	13	13	16	0%	19%	13	13	15	2%	15%												
FI	1476	1351	1351	-8%	0%	348	351	351	1%	0%	367	369	370	1%	0%	220	231	232	5%	0%	140	150	151	8%	0%	-66	-77	-42	-17%	46%												
SE	2147	1780	1396	-17%	-22%	1113	970	548	-13%	-44%	1133	1018	817	-10%	-20%	536	466	415	-13%	-11%	281	234	235	-17%	0%	102	57	66	-44%	16%												
EU-27	4478	4145	3579	-7%	-14%	6699	6842	5677	2%	-17%	6787	7050	5914	4%	-16%	3773	4100	3438	9%	-16%	1510	1835	1525	22%	-17%	791	1132	803	43%	-29%												

Source: Member States' data submissions under the 2019 fleet economic data call (MARE/A3/ACS(2019)); all monetary values have been adjusted for inflation; constant prices (2015). Nowcast values for 2018 and 2019.

Data sources

The data used to compile all the various analyses contained within the report were collected under the data collection framework (see [Council Regulation \(EC\) No 199/2008](#) of 25 February 2008 for the years 2008–2016 (DCF) and [Council Regulation \(EC\) No 2017/1004](#) of 17 May 2017 for the years 2017–2019 (EU-MAP)).

The 2020 call requested data for the years 2017–2019. Fleet-capacity data were requested up to and including 2019, while fishing activity (effort and landings), employment and economic parameters were requested up to and including 2018. Additionally, income from landings and several effort and landing variables were requested (non-mandatory) for 2019 to allow for economic performance nowcasts to be estimated

at fleet-segment and national level for 2019 and 2020.

The 2020 Annual Economic Report on the EU Fishing Fleet includes data reported by national total and by fleet segment (a combination of the main fishing technology used and the vessel length group operating predominately in one supra-region). The data analysed covers transversal (capacity, landings and effort) and economic (income, costs, employment, enterprises, capital value and investment) data. In some cases, data are missing as they refer to fleet segments with low vessel numbers for which data may be sensitive or difficult to obtain (logbooks are compulsory for vessels over 10 metres only).

Abbreviations and units

CECAF	Committee for the Eastern Central Atlantic Fishery (or FAO major fishing zone 34)
DCF	data collection framework
DWF	distant-water fleet
EFF	European Fisheries Fund
EMFF	European Maritime and Fisheries Fund
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FAD	fish aggregating device
FPA	fisheries partnership agreement
FTE	full-time equivalent
GVA	gross value added
ICCAT	International Commission for the Conservation of Atlantic Tunas
IOTC	Indian Ocean Tuna Commission
LSF	large-scale fleet
MSY	maximum sustainable yield
NAFO	Northwest Atlantic Fisheries Organization
NSEA	North Sea and Eastern Arctic
NWW	north-western waters
OECD	Organisation for Economic Co-operation and Development
OFR	other fishing regions
OMR	EU outermost region
RoFTA	return on fixed tangible assets
SSCF	small-scale coastal fleet
SWW	south-western waters
TAC	total allowable catch

List of country codes

BE	Belgium	LT	Lithuania
BG	Bulgaria	LU	Luxembourg
CZ	Czechia	HU	Hungary
DK	Denmark	MT	Malta
DE	Germany	NL	Netherlands
EE	Estonia	AT	Austria
IE	Ireland	PL	Poland
EL	Greece	PT	Portugal
ES	Spain	RO	Romania
FR	France	SI	Slovenia
HR	Croatia	SK	Slovakia
IT	Italy	FI	Finland
CY	Cyprus	SE	Sweden
LV	Latvia		

List of figures and tables

Figure 1. Trends in profits as a percentage of revenue for the EU-27 fishing fleet	6
Figure 2. Trends in revenue and profits for the EU-27 fishing fleet	8
Figure 3. Trends in fuel use, costs and average price for the EU-27 and by Member State fleet	9
Figure 4. Trends in cost structure as a percentage of revenue for the EU-27 fleet	11
Figure 5. Trends in productivity (labour and capital) and efficiency (fuel use) indicators	12
Figure 6. Variation in gross profit by fishing activity (2008 = 100)	17
Figure 7. Shares of main indicators by fishing region	18
Figure 8. Revenue, profits and profit margins for the EU-27 fleet by main fishing region, 2018	19
Figure 9. Revenue, profits and profit margins by fishing activity and main fishing region, 2018	19
Figure 10. Trends in profit margins by the SSCF and LSF operating in the North Sea and Eastern Arctic	21
Figure 11. Trends in revenue, profit (million EUR) and profit margins for the LSF operating in the NAFO area	22
Figure 12. Trends in profit margins by the SSCF and LSF operating in the Baltic Sea	23
Figure 13. Trends in profit margins by the SSCF and LSF operating in the NWW	24
Figure 14. Trends in profit margins by the SSCF and LSF operating in the SWW	25
Figure 15. Trends in profit margins by the SSCF and LSF operating in the Mediterranean Sea	27
Figure 16. Trends in profit margins by the SSCF and LSF operating in the Black Sea	28
Figure 17. Share of main indicators by Member State OMR fleets, 2018	29
Figure 18. Trends in profit margins by the SSCF and LSF operating in the EU Outermost Regions	30

Figure 19. Trends in revenue, profit and profit margins for fleets operating in the ICCAT regulatory area - Atlantic stocks.	31
Figure 20. Trends in revenue, profit and profit margins for fleets operating in the ICCAT regulatory area - Mediterranean stocks	31
Figure 21. Trends in revenue and profits for Spanish and French purse seiners operating in the IOTC regulatory area	33
Table 1. Summary performance results by Member State fleet, 2018-2020	39

GETTING IN TOUCH WITH THE EU

In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at:
https://europa.eu/european-union/contact_en

On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696, or
- by email via: https://europa.eu/european-union/contact_en

FINDING INFORMATION ABOUT THE EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: https://europa.eu/european-union/index_en

EU publications

You can download or order free and priced EU publications from: <https://publications.europa.eu/en/publications>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see https://europa.eu/european-union/contact_en).

EU law and related documents

For access to legal information from the EU, including all EU law since 1952 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp/en>) provides access to datasets from the EU. Data can be downloaded and reused for free, for both commercial and non-commercial purposes.

